DOCUMENT RESUME

ED 421 065 HE 031 409

TITLE	New Financial Aid Administrator Training. Participant's Workbook.
INSTITUTION	Office of Postsecondary Education, Washington DC. Student Financial Assistance Programs.
PUB DATE	1998-07-00
NOTE	406p.
PUB TYPE	Guides - Classroom - Learner (051) -- Reference Materials - Vocabularies/Classifications (134)
EDRS PRICE	MF01/PC17 Plus Postage.
DESCRIPTORS	Compliance (Legal); Computer Software; Educational Legislation; Eligibility; Federal Legislation; *Federal Programs; Grants; Higher Education; *Student Financial Aid; *Student Loan Programs; Work Study Programs; Workshops
IDENTIFIERS	Family Education Loan Program; Federal Direct Student Loan Program; *Higher Education Act Title IV; Pell Grant Program; Perkins Loan Program; Supplemental Educational Opportunity Grants

ABSTRACT

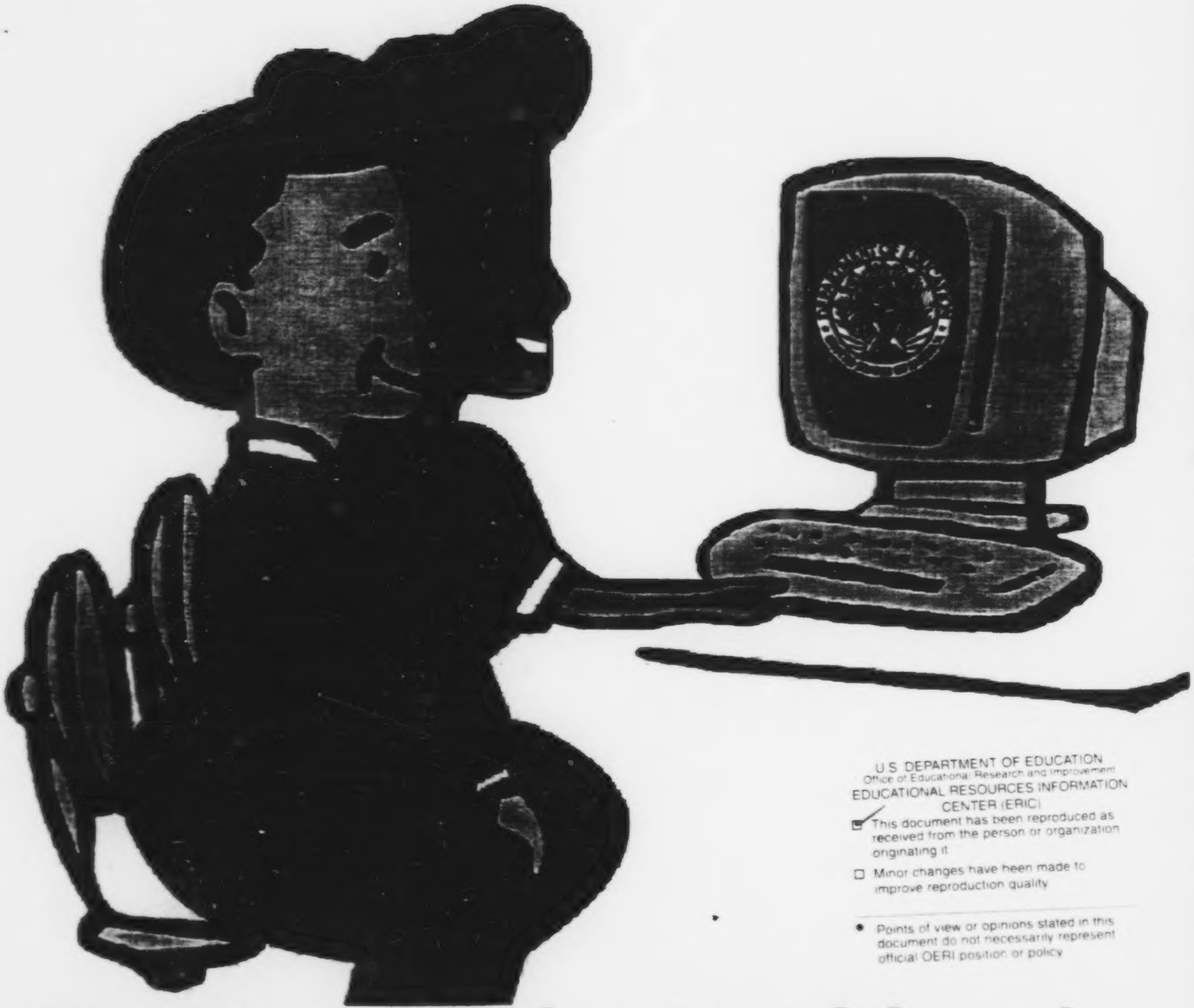
This workbook is intended to be used in conjunction with a workshop on the basic procedures, requirements, and responsibilities for properly administering the Title IV student financial aid programs. These include: the federal Pell Grant Program, the federal Supplemental Educational Opportunity Grant, the federal Work Study Program, the federal Perkins Loan Program, the federal Family Education Loan Program, and the federal Direct Loan Program. The three-day workshop and the workbook materials are organized into 14 sessions: (1) introduction to the workshop; (2) history and overview of Title IV programs; (3) electronic requirements; (4) school eligibility and responsibility; (5) cash management; (6) communicating with students and families; (7) student eligibility; (8) how much aid the student can get; (9) verification, updating, and corrections; (10) professional judgment; (11)calculating Federal Pell Grant awards; (12) campus-based programs; (13) student loans; and (14) calculating refunds and repayments. Appendices include a list of acronyms, a glossary, and a list of resources. (DB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

HE

New Financial Aid Administrator Training

ED 421 065



U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

HE031409

Participant's Workbook

Student Financial Assistance Programs

July 1998

Session 1

Introduction to the Workshop

Questions we will answer during this session:

What materials will we use during the training?

How is the Participant's Workbook set up?

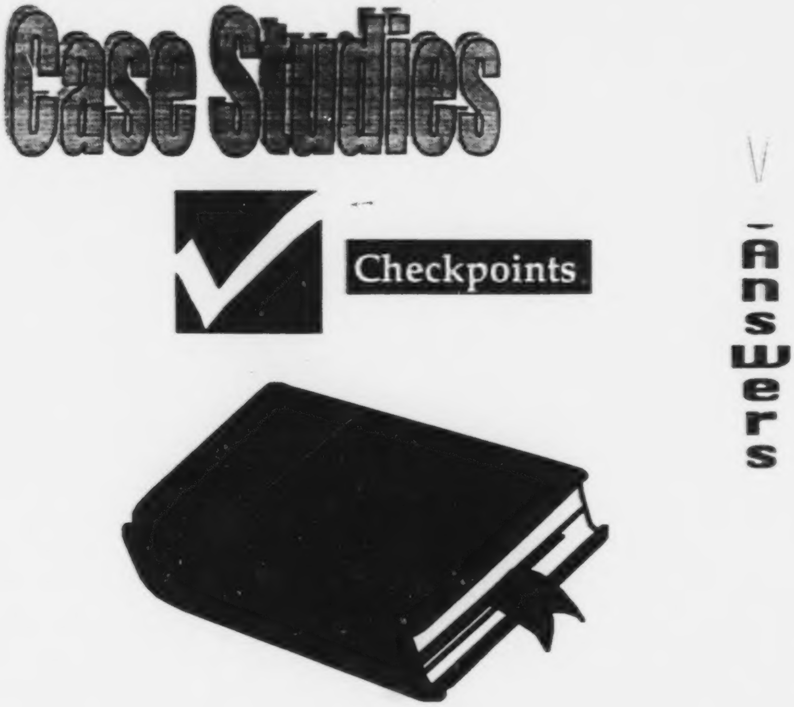
What are the main goals of the workshop?

What materials will we use during the training?

You will use the following materials during the workshop:

- *The Participant's Workbook*
- *The 1998-99 Federal Student Financial Aid Handbook*
- The 1998-99 Free Application for Federal Student Aid

How is the Participant's Workbook set up?

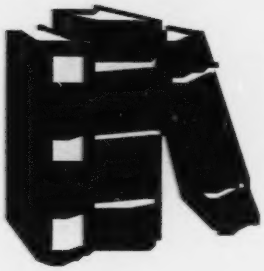


What are the main goals of the workshop?

- Introduce you to basic procedures, requirements, and responsibilities for properly administering the Title IV programs.

Program	*Reg Cite*
Federal Pell Grant Program	*34 CFR 690*
Federal Supplemental Educational Opportunity Grant (FSEOG)	*34 CFR 676*
Federal Work Study (FWS)	*34 CFR 675*
Federal Perkins Loan Program	*34 CFR 674*
Federal Family Education Loan Program (FFEL) (subsidized, unsubsidized, PLUS, and consolidation)	*34 CFR 682*
Federal Direct Loan Program (subsidized, unsubsidized, PLUS, and consolidation)	*34 CFR 685*

- Help you become an informed self-starter, able to use ED's publications to find information.



Resources

★ The 1998-99 Verification Guide

★ The Audit Guide (with 1997 update)

★ The 1998-99 EFC Formula Book

★ The 1998-99 Counselor's Handbook

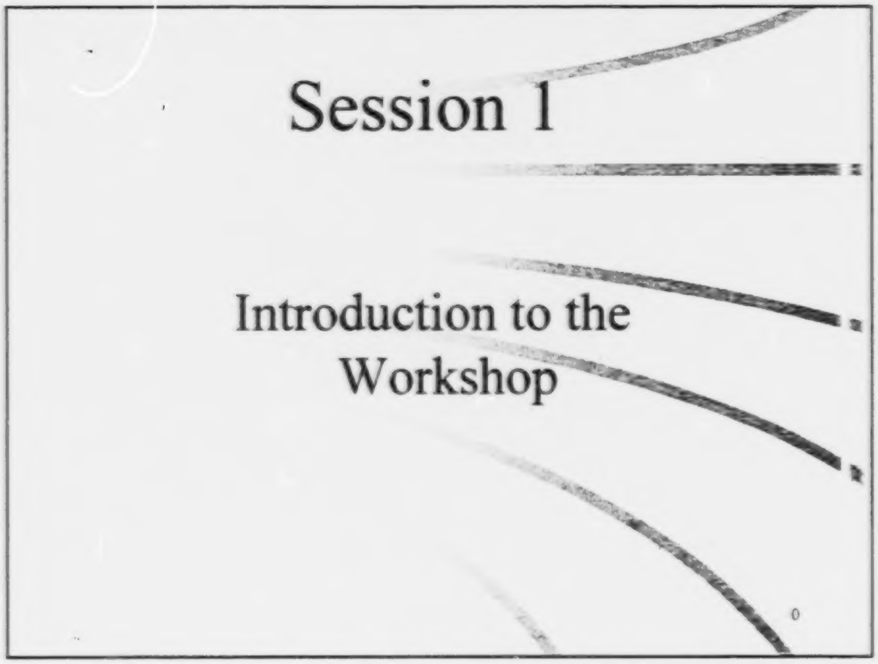
★ A Guide to 1998-99 SARs and ISIRs

★ Dear Colleague Letters

Obtain single copies at 1-800-4FED-AID ☎

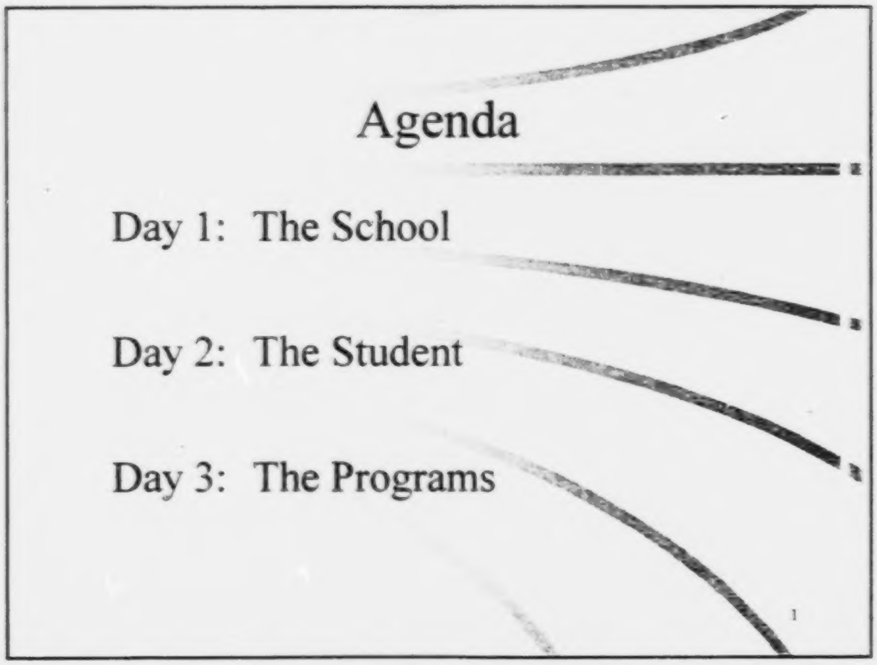
OR

Access and ~~print~~ at http://ifap.ed.gov



Session 1

Introduction to the Workshop

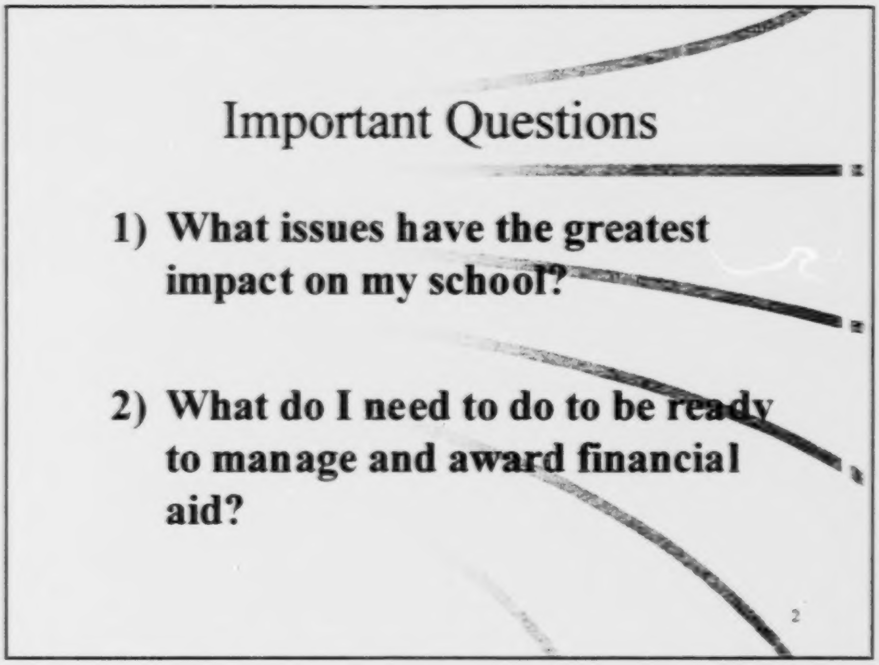


Agenda

Day 1: The School

Day 2: The Student

Day 3: The Programs



Important Questions

1) What issues have the greatest impact on my school?
2) What do I need to do to be ready to manage and award financial aid?

Session 2

History & Overview of the Title IV Programs

Questions we will answer during this session:

How did all of this get started?

What should I know about the Title IV programs?

What's the difference between authorization and reauthorization?

What does Title IV mean?

What are Federal Registers and where can I get them?

How did all of this get started?

MILESTONES for the U.S. DEPARTMENT OF EDUCATION and STUDENT FINANCIAL AID

Morrill Act of 1862	Encouraged states to establish public universities by providing Federal land and financial support.
1867	Department of Education was created.
	Government funding of Higher Education began with the passage of the Servicemen's Readjustment Act or G.I. Bill.
October 4, 1957	U.S.S.R. launch of first space satellite triggered the development of Title IV student aid programs.
National Defense Education Act of 1958	National Defense Student Loan (NDSL) program began as a result.
1964	College Work-Study (CWS) program began for financially needy students as a result of the Economic Opportunity Act of 1964.
Higher Education Act of 1965	Reauthorized existing student aid programs. Educational Opportunity Grant (EOG) program, the first grant program, was initiated. Guaranteed Student Loan (GSL) program was also established. Administrative authority for these programs was placed under the Department of Health, Education, and Welfare (DHEW).
Higher Education Amendments of 1972	National Defense Student Loan was renamed National Direct Student Loan (NDSL) program. Educational Opportunity Grant became the Supplemental Educational Opportunity Grant (SEOG). Basic Educational Opportunity Grant (BEOG) began as a new grant. Reauthorized CWS program - extended GSL program. State Student Incentive Grant (SSIG) program was created. Proprietary institutions were permitted to participate in all of the Title IV student aid programs.

Education Amendments of 1976	All existing programs were reauthorized. Requirement for satisfactory academic progress was introduced.
Middle Income Student Assistance Act of 1978	Basic Grant eligibility was expanded. GSL program income ceiling that had restricted eligibility was lifted.
Education Amendments of 1980	All Title IV programs were reauthorized. Parent Loans for Undergraduate Students (PLUS) was created. Basic Grant renamed Pell Grant program in honor of the prime sponsor of the program, Senator Claiborne Pell.
May 4, 1980	U.S. Department of Education was established.
Omnibus Budget Reconciliaton Act of 1981	Reduced funding for student financial aid. PLUS renamed Auxiliary Loans to Assist Students (ALAS).
Defense Authorization Acts of 1982 and 1983	Tied aid eligibility for males born on or after January 1, 1960 to Selective Service registration.
Technical Amendments of 1983, and 1984	Established the annual Pell Grant cost of attendance 1982, and award maximums, defined the independent student, and prescribed information that institutions must disclose to student loan recipients.
Consolidated Omnibus Reconciliation Act (COBRA) of 1985	Signed on April 7, 1986 made major changes in the Title IV programs. Some of these changes include: •requirement that all undergraduate GSL applicants have their eligibility or ineligibility for a Pell Grant determined prior to their receipt of GSL loan proceeds for the award year, •revised definition of default for GSL and PLUS loans, •restriction on the receipt of any Title IV funds by students who were in default on a Title IV loan or owe an overpayment on a Title IV grant, and •requirement that GSL and PLUS loans be disbursed in multiple payments.
Higher Education Amendments of 1986 the Technical Amendments of 1987	Signed into law on October 17, 1986 made major changes to the Title IV student aid programs. Some of and the most significant changes resulting from this legislation included: •introduction of master calendar for certain functions of the Department of Education, •new Title IV standards for dependency status and for satisfactory academic progress,

11

- changed ability-to-benefit provisions,
- two need analysis methodologies incorporated into law,
- a Simplified Needs Test established,
- new time limits on the duration of student eligibility for a Pell Grant,
- renaming of the NDSL program as the Perkins Loan program,
- new selection criteria for the Perkins Loan and SEOG programs.,
- new loan program called the Supplemental Loans for Students (SLS) began,
- pilot testing of a new loan program called the Income Contingent Loan (ICL) program, and
- expansion of the areas in which aid administrators may use professional judgement.

Amendments to the Higher Education Act

Signed into law in 1988. Guaranteed Student Loan (GSL) program was renamed the Stafford Loan program. SLS loans certified after August 17, 1988 the borrower must have received a determination of eligibility for a Pell grant and a determination of need for a Stafford Loan, and SLS loans made after October 1, 1988 must be disbursed in multiple payments.

Omnibus Budget Reconciliation Act of 1989

General Provisions:

- Amended to clarify that financial aid administrators may use professional judgment in determining financial aid award only on a case-by-case basis and not adjust award amounts for groups of students.
- An institution cannot be certified or recertified as eligible if it has lost its accreditation during the preceding 24 months, unless the accreditation has been restored or the institution demonstrates its academic integrity.
- If an institution of higher education is in the process of receiving new accreditation or changing its accrediting agency, its accreditation will not be recognized (for the purpose of eligibility or Pell Grant, CB, ICL or SSIG) unless the institution submits all materials related to the prior accreditation.
- In order to be eligible for any program other than SSIG or Byrd Scholarships, an institution that admits students on the basis of their ability to benefit must make available to these students a high school equivalency program.

Omnibus Budget Reconciliation Act of 1990

General Provisions: A student admitted on the basis of ability to benefit must pass an independently administered test.

Guaranteed Student Loan Programs: Schools will be ineligible for the GSL program if their default rate is 35% or higher (30% or higher for FY 93 and beyond.)

Higher Education Technical Amendments of 1991

Desert Storm:
- defines "individual serving on active duty in connection with Operation Desert Shield or Operation Desert Storm,"
- Schools should give full refunds to those on active duty for Desert Shield or Storm,
- some reservists qualify for "special conditions,"
- administrative requirements related to loans should be reduced as much as possible,
- adjusts GSL deferments for reservists,
- extends deferments for Perkins or NDSL loans, and
- incomplete periods of instruction won't be counted for determining length of Pell Grant eligibility.

General Provisions:
- "ability-to-benefit" testing provision changed from institutional eligibility to student eligibility requirement, and
- eliminates statute of limitations on collections of loans or overpayments of other aid.

Guaranteed Student Loan Program:
Schools can refuse to certify loan applications, or certify for a smaller loan, if they document the reason and provide it to the student in writing.

Higher Education Amendments of 1992

Reauthorized the programs for six years. Established Federal Direct Loan Demonstration Program, under which ED would assume lender and guarantor functions. Added Program Integrity Provisions. Made many changes to the programs including:
- replacing the two need analysis formulas with a single formula,
- revising the definition of independent student,
- requiring a single free stand-alone application for federal aid,
- establishing unsubsidized Stafford loan program,
- requiring lenders to offer graduated or cancellation of loan if school closed,
- requiring all guaranty agencies to have loan

	rehabilitation program, and •requiring ED to develop common loan forms.
ICL Program	Program ended March 31, 1993.
Omnibus Budget Reconciliation Act of 1993	General Provisions: The Omnibus Budget Reconciliation Act of 1993 was signed into law by President Clinton on August 10, 1993. Numerous changes affecting the Federal Family Education Loan (FFEL) Program under Title IV, Part B of the Higher Education Act of 1965, as amended (HEA), were made by this legislation. The new law also established requirements for transition of the FFEL Program to the Federal Direct Student Loan (FDSL) Program.
Balanced Budget Act of 1997	Eliminated the $10 loan origination fee paid to Direct Loan institutions, •reduced funding for the Department's Direct Loan program administration, and •authorized the recovery of excess guaranty agency reserves.
Taxpayer Relief Act (1997)	•HOPE Scholarship tax credit (up to $1500) for each of the first two years of college, •Lifetime Learning tax credit equal to 20% of the first $5000 of tuition and fees, •Tax deduction for interest paid on student loans, •Education IRAs for tax-free savings for college, •Penalty-free withdrawals from existing IRAs for higher education expenses, •Greater flexibility for families saving in qualified State pre-paid tuition plans, •Income exclusion for up to $5250 in employer education benefits, and •Tax-free loan forgiveness for community service.

What should I know about the Title IV programs?

Title IV Programs

Title IV Program	Description	Law (HEA)	Regulations	1998-99 FSFA Handbook
Federal Pell Grant	Grants for financially needy undergraduate students who have not earned bachelor's degrees or a first professional degree.	Part A	Part 690	Chapter 4
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grants for undergraduate students with "exceptional financial need." (Federal Pell Grant recipients with lowest EFCs)	Part A	Part 676	Chapter 8
Federal Work-Study (FWS)	Self-help program that provides on-campus and off-campus employment to eligible undergraduate and graduate students.	Part C	Part 675	Chapter 7
Federal Perkins Loan	Low-interest loans for financially needy undergraduate and graduate/professional students.	Part E	Part 674	Chapter 6
Federal Direct Subsidized Loan	Loans to help financially needy graduates and undergraduates; interest subsidized by federal government; made by federal government.	Part D	Part 685	Chapter 11
Federal Direct Unsubsidized Loan	Loan funds without interest subsidies for graduate and undergraduate students; made by federal government.	Part D	Part 685	Chapter 11
Federal Direct PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; made by federal government.	Part D	Part 685	Chapter 11
Federal Subsidized Loan	Low-interest loans to help financially needy students; from lenders, guaranteed and interest subsidized by federal government.	Part B	Part 682	Chapter 10
Federal Unsubsidized Loan	Loan funds without interest subsidies for undergraduate and graduate students; from lenders, guaranteed by federal government.	Part B	Part 682	Chapter 10
Federal PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children; from lenders, guaranteed by federal government.	Part B	Part 682	Chapter 10

Title IV Programs Summary

Title IV Program	Type of Aid	Application Required	Award/Loan Determination	Aid Recipient	Award/Loan Limits	Need Analysis	Disbursement/ Repayment
Federal Pell Grant	Gift Aid	FAFSA	**Specified in ED's annual payment and disbursement schedule**	Only undergraduates	$3,000 1998-99	**Based on need**	**School acts as ED's agent to disburse. No repayment.**
Campus-Based Aid Programs							
FSEOG	Gift Aid	FAFSA	School's financial aid policy and available funds	Only undergraduates, with priority given to Pell Grant recipients	$4,000 a year except in case of study abroad, where up to $400 more a year is allowed	Based on need	The school disburses funds to students. No repayment.
FWS	Self-Help Aid			Undergraduate or graduate/professional students	No annual award maximum		School disburses earned funds to students at least monthly. No repayment.
Federal Perkins Loan					$3,000 a year for undergraduates and $5,000 a year for graduate/professional students		School disburses funds to students. Repayment required.
Direct Loan and FFEL Programs							
Subsidized Loan	Self-Help Aid	**Direct Loan:** FAFSA only **FFEL:** FAFSA and FFEL common application	A student's subsidized loan added to the EFC and other EFA cannot exceed COA.	Undergraduates or graduate/ professional students	From $2,625 to $18,500, depending on grade level.	Based on need	**Direct Loan Program:** ED disburses to school; school disburses funds to student. Repayment required. **FFEL Program:** Lender disburses, school delivers funds. Repayment required.
Unsubsidized Loan			The student's unsubsidized loan added to other EFA cannot exceed COA.			Not based on need	
PLUS Loan		PLUS Loan application	The parent's PLUS Loan added to the student's other EFA cannot exceed student's COA.	Parents of dependent undergraduates	No cap, but when added to student's other EFA cannot exceed student's COA.		

Checkpoint #1 – What Am I?

Clue #1

I am a campus-based program which means I'm directly administered by the financial aid office at each participating school. I am considered gift aid for undergraduates. I haven't changed too much in the 33 years I've been around. I have helped a lot of needy students over the years. What am I?

Answer____

Clue #2

I am a loan program that benefits undergraduate dependent students. Repayment of my loan begins while the student is still in school. There is no grace period. I began in 1980. A lot of students (and parents) are glad I'm around. What am I?

Answer____

Clue #3

I am the oldest of all the programs. In fact, I am 40 years old this year. I have had several different names over the years. I am a low-interest loan program for both undergraduate and graduate students with exceptional financial need. You have a nine-month grace period after you graduate, leave school, or drop below half-time status before you must begin repayment. What am I?

Answer____

Clue #4

I am a program that is probably the most recognized and most used (at least for financially needy students). I am popular because I am a grant or gift aid program for undergraduates, so the student doesn't have to pay me back. Since there are limited funds, a central processor determines each student's eligibility based on annual guidelines set by Congress and the U.S. Department of Education. I became known as the "portable" grant because eligible students could take their student aid reports to any participating institution for payment. What am I?

Answer____

Clue #5

Thanks to reauthorization, my loan program still exists for graduate and undergraduate students. I am considered self-help aid because after the student leaves school, the student has to pay the funds back that were borrowed. Unlike the new loan program, private lenders (such as guaranty agencies, banks, and credit unions) disburse student loan proceeds to the school. The school then delivers the funds to the students. What am I?

Answer____

What's the difference between authorization and reauthorization?

Authorization:

Reauthorization:

What does Title IV mean?

Title IV: Federal student aid programs that are legally authorized by Congress in the Higher Education Act (HEA) of 1965, as amended.

What are Federal Registers and where can I get them?

Federal Registers are issued to inform the public of certain regulatory actions that are to take place.

They allow schools to:

- participate in the legislative, regulatory, and policymaking processes, and
- act in accordance with laws, regulations, and policies.

You can get Federal Registers by:

- calling 1-800-433-3243 or
- pulling them down from ED's website at http://ifap.ed.gov

federal register

Friday
November 28, 1997

Part IV

Department of Education

34 CFR Part 675
Federal Work-Study Programs; Final Rule

DEPARTMENT OF EDUCATION

34 CFR Part 675

RIN 1840–AC50

Federal Work-Study Programs

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary amends the regulations governing the Federal Work-Study (FWS) Program authorized under title IV of the Higher Education Act of 1965, as amended (title IV, HEA programs). The Secretary makes these changes in response to the President's "America Reads Challenge" by providing for an additional waiver of the FWS institutional-share requirement for tutors in a family literacy program that provides services to families with preschool age children or children who are in elementary school.

EFFECTIVE DATE: These regulations take effect on July 1, 1998.

FOR FURTHER INFORMATION CONTACT: Nancy Adams, U.S. Department of Education, 600 Independence Avenue SW., Regional Office Building 3, Room 3045, Washington, DC 20202–5447. Telephone: (202) 708–8242. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

SUPPLEMENTARY INFORMATION:

Part 675—Federal Work-Study Programs

The Secretary is providing for an additional waiver of the FWS institutional share requirement in § 675.26. The Secretary will authorize a Federal share of up to 100 percent of the compensation earned by a student during an award year if all of the following criteria are met—

1. The work performed by the student is for the institution itself, for a Federal, State, or local public agency, or for a private nonprofit organization; and

2. The student is employed as a tutor in a family literacy program that provides services to families with preschool age children or children who are in elementary school. "Preschool age children" means children from infancy to the time at which the State provides elementary education.

This regulatory change will provide an institution with additional flexibility needed to respond to the President's "America Reads Challenge," which is mobilizing resources to ensure that all children can read independently and well by the end of the third grade. The "America Reads Challenge" seeks to reinforce the importance of skill-building activities for children starting at infancy and of programs that encourage and support parent or caregiver involvement in these activities.

The Secretary previously added a waiver of the FWS institutional-share requirement for reading tutors of children that is effective for the 1997–98 award year. That previous change was made to provide institutions with the flexibility necessary to respond to the "America Reads Challenge." The new FWS waiver will provide a greater ability for institutions to help children achieve the reading goal by waiving the FWS institutional-share requirement for tutors, working in family literacy programs, who are providing literacy services to children from infancy through elementary school, or to their parents or caregivers. These literacy services may include helping parents or caregivers who need assistance with their own literacy skills.

This new waiver for tutors working in family literacy programs is based on research that shows that children whose parents work with them on literacy skills during early childhood have a significantly better chance of meeting the reading goal for children. Unfortunately, not all parents or caregivers have the literacy skills necessary to work with their children to ensure that each child has the proper foundation for reading skills.

The Secretary is pleased with the positive feedback received from many institutions indicating that they intend to use the FWS Program to respond to the "America Reads Challenge." This investment in our youth is an investment in this country's future. The Secretary has also received comments from organizations that focus on family literacy indicating that the expansion of the waiver of the FWS institutional-share requirement to tutors involved in family literacy programs is very important in meeting the goal of children reading independently and well by the end of the third grade. This regulatory change responds to these requests.

The Secretary strongly encourages all institutions to employ FWS students as reading tutors for children and as tutors in family literacy programs that provide services to families with preschool age children or children who are in elementary school. The placement of students in these jobs is, in many instances, an important way for institutions to meet the community service expenditure requirement under the FWS Program, serve the needs of the community, and give the FWS students a rewarding and enriching experience. The new waiver of the FWS institutional-share requirement in § 675.26 for tutors in family literacy programs that provide services to families with preschool age children or children who are in elementary school does not require the institution to make a request for a waiver. Also, the institution has the option of still providing an institutional share and determining the amount of that share.

It is important to note that the Secretary continues the current exceptions that authorize a Federal share of 100 percent of the compensation earned by students employed as reading tutors of preschool age children or children who are in elementary school as well as students enrolled at eligible institutions under the Strengthening Institutions Program, the Strengthening Historically Black Colleges and Universities Program, or the Strengthening Historically Black Graduate Institutions Program.

Goals 2000: Educate America Act

The Goals 2000: Educate America Act (Goals 2000) focuses the Nation's education reform efforts on the eight National Education Goals and provides a framework for meeting them. Goals 2000 promotes new partnerships to strengthen schools and expands the Department's capacities for helping communities to exchange ideas and obtain information needed to achieve the goals.

These regulations address the National Education Goals that call for increasing the rate at which students graduate from high school and pursue high quality postsecondary education and for supporting life-long learning. These regulations further address the National Education Goal that every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

Executive Order 12866

These final regulations have been reviewed in accordance with Executive order 12866. Under the terms of the order the Secretary has assessed the potential costs and benefits of this regulatory action.

The potential costs associated with the final regulations are those resulting from statutory requirements and those determined by the Secretary to be necessary for administering this program effectively and efficiently.

In assessing the potential costs and benefits—both quantitative and qualitative—of these final regulations, the Secretary has determined that the benefits of the final regulations justify the costs.

Potential costs and benefits of the final regulations are discussed elsewhere in this preamble under the following headings: Supplementary Information and Goals 2000: Educate America Act.

Waiver of Proposed Rulemaking

In accordance with the Administrative Procedure Act (5 U.S.C. 553), it is the practice of the Secretary to offer interested parties the opportunity to comment on proposed regulations. However, the Secretary is specifically authorized under section 443(b)(5) of the Higher Education Act of 1965, as amended (42 U.S.C. 2753(b)(5)) to determine, through the promulgation of regulations, that the Federal share of compensation for FWS students may exceed 75 percent if required in furtherance of the purposes of the program. The Secretary has made such a determination in this case. Revising § 675.26(d) will increase institutional flexibility and help to meet an important educational need for tutors in family literacy programs without imposing any burden on the affected parties. For these reasons, the Secretary has determined, pursuant to 5 U.S.C. 553(b)(B), that public comment on the amendment to § 675.26(d) is unnecessary and contrary to the public interest.

Regulatory Flexibility Act Certification

The Secretary certifies that these regulations would not have a significant economic impact on a substantial number of small entities. Small entities affected by these regulations are small institutions of postsecondary education.

The provisions of these regulations provide added flexibility to institutions. Thus, no significant adverse economic impacts on small entities are expected to occur.

Paperwork Reduction Act of 1995

These regulations have been examined under the Paperwork Reduction Act of 1995 and have been found to contain no information collection requirements.

Intergovernmental Review

The Federal Work-Study Program is not subject to the requirements of Executive Order 12372 and the regulations in 34 CFR part 79.

Assessment of Educational Impact

Based on its own review, the Department has determined that the regulations in this document do not require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

Electronic Access to This Document

Anyone may review this document, as well as all other Department of Education documents published in the **Federal Register**, in text or portable document format (pdf) on the World Wide Web at either of the following sites:

http://ocfo.ed.gov/fedreg.htm
http://www.ed.gov/news.html

To use the pdf you must have the Adobe Acrobat Reader Program with Search, which is available free at either of the previous sites. If you have questions about using the pdf, call the U.S. Government Printing Office toll free at 1-888-293-6498.

Anyone may also view these documents in text copy only on an electronic bulletin board of the Department. Telephone: (202) 219-1511 or, toll free, 1-800-222-4922. The documents are located under Option G—Files/Announcements, Bulletins and Press Releases.

Note: The official version of this document is the document published in the **Federal Register**.

List of Subjects in 34 CFR Part 675

Loan programs—education, Student aid.

Dated: November 20, 1997.

Richard W. Riley,

Secretary of Education.

(Catalog of Federal Domestic Assistance Number: 84.033 Federal Work-Study Program)

The Secretary amends chapter VI of Title 34 of the Code of Federal Regulations as follows:

PART 675—FEDERAL WORK-STUDY PROGRAMS

1. The authority citation for part 675 continues to read as follows:

Authority: 42 U.S.C. 2751-2756b, unless otherwise noted.

2. Section 675.26 is amended by revising paragraph (d) to read as follows:

§ 675.26 FWS Federal share limitations.

* * * * *

(d) For each award year, the Secretary authorizes a Federal share of 100 percent of the compensation earned by a student under this part if—

(1) The work performed by the student is for the institution itself, for a Federal, State or local public agency, or for a private nonprofit organization; and

(2)(i) The institution in which the student is enrolled—

(A) Is designated as an eligible institution under the Strengthening Institutions Program (34 CFR part 607), the Strengthening Historically Black Colleges and Universities Program (34 CFR part 608), or the Strengthening Historically Black Graduate Institutions Program (34 CFR part 609); and

(B) Requests that increased Federal share as part of its regular FWS funding application for that year;

(ii) The student is employed as a reading tutor for preschool age children or children who are in elementary school; or

(iii) The student is employed as a tutor in a family literacy program that provides services to families with preschool age children or children who are in elementary school.

[FR Doc. 97-31169 Filed 11-26-97; 8:45 am]

BILLING CODE 4000-01-P

Answer Key

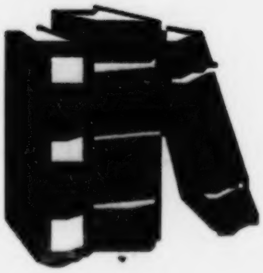
Checkpoint #1 – What Am I?

1) FSEOG
2) PLUS
3) Federal Perkins Loan Program
4) Pell Grant
5) Federal Subsidized or Unsubsidized Stafford Loan (FFEL)

Authorization vs. Reauthorization

Authorization: Legislative act that establishes a program, specifies its general purpose and conduct, and (unless open-ended), sets a ceiling for the dollar amount that can be used to finance it.

Reauthorization: A legislative process which occurs every 4 to 5 years that reviews, and renews, terminates, or amends existing programs.



Resources

★ The 1998-99 Federal Student Financial Aid Handbook, Chapter 1

★ 1998-99 Counselor's Handbook for Postsecondary Schools

★ November 28, 1997 Final Rule (FWS) (Federal Register sample)

Session 2

History & Overview of the Title IV Programs

Answer Key

1. **Federal Supplemental Educational Opportunity Grant (FSEOG)**

2. **Parent Loan for Undergraduate Students (PLUS)**

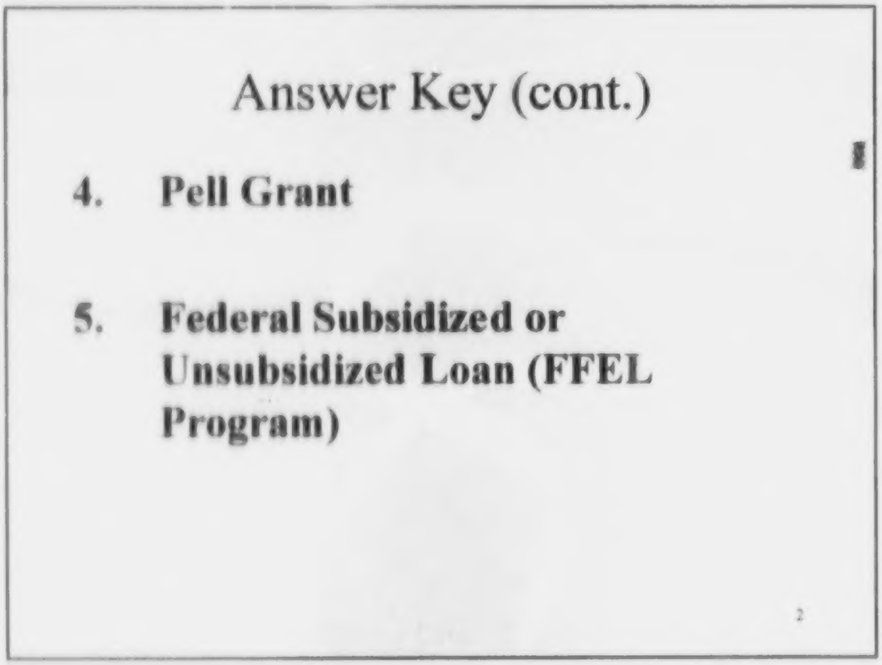
3. **Federal Perkins Loan**

Types of Federal Registers

- **Final Rule**
- **Notice**
- **Notice of Proposed Rulemaking (NPRM)**

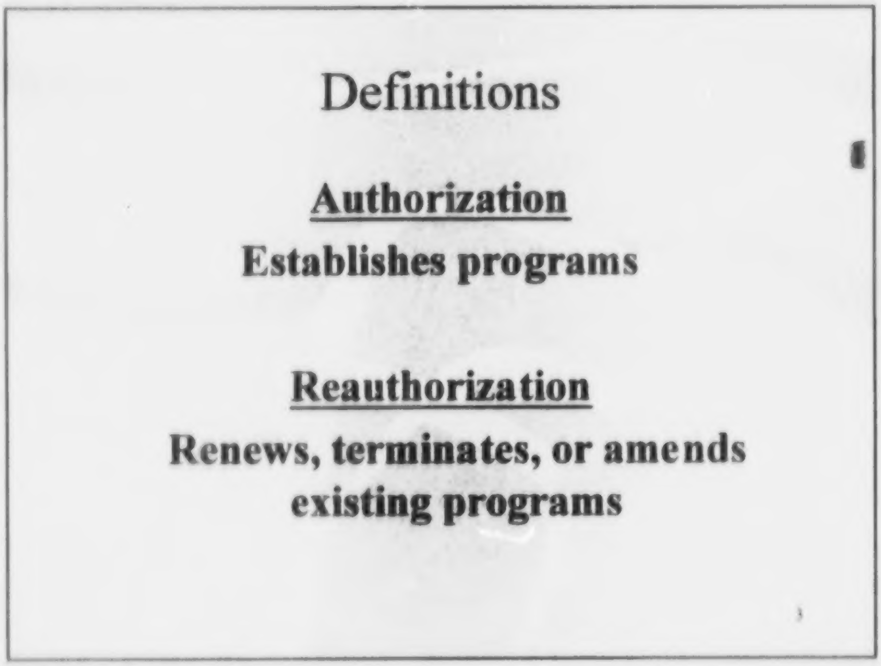
Dear Colleague Letters

- **GEN - general**
- **P - Pell**
- **CB - campus-based**
- **L - lenders**
- **G - guaranty agencies**
- **DLB - Direct Loan bulletin**



Answer Key (cont.)

4. **Pell Grant**
5. **Federal Subsidized or Unsubsidized Loan (FFEL Program)**



Definitions

Authorization

Establishes programs

Reauthorization

Renews, terminates, or amends existing programs

Session 3

Electronic Requirements

Questions we will answer during this session:

What are the major electronic processes in which schools are required to participate?

How do schools send and receive data electronically?

What role does the Internet play in Title IV?

How do schools get answers to questions regarding the electronic requirements?

What are the major electronic processes in which schools are required to participate?

TABLE A: DESIGNATED PROCESSES AND DEADLINE DATES

Deadline Date	Designated Electronic Processes
January 1, 1998	1. Participate in the Title IV Wide Area Network (TIV WAN) 2. For the 1998-99 Processing Year[1] and Beyond: a. Receipt of Institutional Student Information Records (ISIRs)[2] b. Adding Your Institution to the Central Processing System Record (CPS) c. On-line Access to the National Student Loan Data System (NSLDS)
July 1, 1998	1. Access to the "Info for Financial Aid Professionals" website or the Student Financial Assistance Bulletin Board System (SFA BBS) 2. Submission of the Application for Approval to Participate in Federal Student Aid Programs (recertification, reinstatement and changes) through the Internet 3. Submission of the Fiscal Operations Report and Application to Participate (FISAP) to the Title IV Wide Area Network (TIV WAN). Diskettes will be eliminated
July 1, 1999	1. For the 1999-2000 Award Year and Beyond: Report Federal Pell Grant Payments Electronically or on Magnetic Tape or Cartridge to the Title IV Wide Area Network (TIV WAN). Diskettes will be eliminated. 2. Submit Student Status Confirmation Report (SSCR) data Electronically or on Magnetic Tape or Cartridge to the National Student Loan Data System (NSLDS). Diskettes will be eliminated. 3. Submit Federal Perkins Loan Data Electronically or on Magnetic Tape or Cartridge to the National Student Loan Data System (NSLDS). Diskettes will be eliminated

[1] The application processing cycle lasts 18 months. For the 1998-99 award year, application processing begins in January 1998 and applications for that year will be accepted until June 30, 1999. (see The 1997-98 Counselor's Handbook for Postsecondary Schools, page 19)

[2] The Secretary realizes that processing Title IV aid upon the receipt of an ISIR, rather than the paper Student Aid Report (SAR), may be new for some institutions. In order to provide institutions sufficient time to implement electronic procedures to receive ISIRs, the Secretary will not assess any penalties against an institution that is not able to comply with this requirement on January 1, 1998. However, beginning July 1, 1998, all institutions are expected to be receiving ISIRs electronically for any Title IV applicant who has listed that institution on the applicant record held in the CPS and the Department will begin assessing appropriate penalties at that time for institutions found not to be awarding Title IV assistance to eligible applicants based on the receipt of the ISIR.

TABLE B TECHNICAL SPECIFICATIONS

	Current Minimum Configuration (Depending Upon Volume and Usage)	Minimum Configuration Required by January 1999
Equipment	IBM or fully IBM-compatible PC	IBM or fully IBM-compatible PC
	66 MHZ Processor 486DX2	200MHz Pentium Processor or comparable
	16 MB RAM	64MB RAM
	300 MB Hard Disk Space	4.0 GB SCSI Hard Drive
	14,400 bps or higher baud Hayes or comparable Modem	56K Analog Modem
	3.5"/1.44MB Diskette Drive	3.5"/1.44MB Diskette Drive
	SVGA Monitor	SVGA Monitor
	Standard Keyboard	Windows 95 Keyboard
	Printer capable of printing on standard paper (8 ½" x 11")	Laser printer capable of printing on standard paper (8 ½" x 11")
	4x CD-ROM Drive with sound board*	12x CD-ROM Drive with sound board*
Software	MS-DOS version 6.2 or higher, Windows 3.1, 3.11 or 95	32 bit operating system (Windows 95 or Windows NT 4.x)
	Internet Service Provider (ISP)**	Internet Service Provider (ISP)**
	Netscape Navigator 3.0 or 3.01 (domestic) or web browser***	Netscape Navigator 3.0 or 3.01 (domestic) or web browser***
Phone Line	Dedicated phone line	Dedicated phone line
Diskettes	3.5" high-density double-sided diskettes	3.5" high-density double-sided diskettes

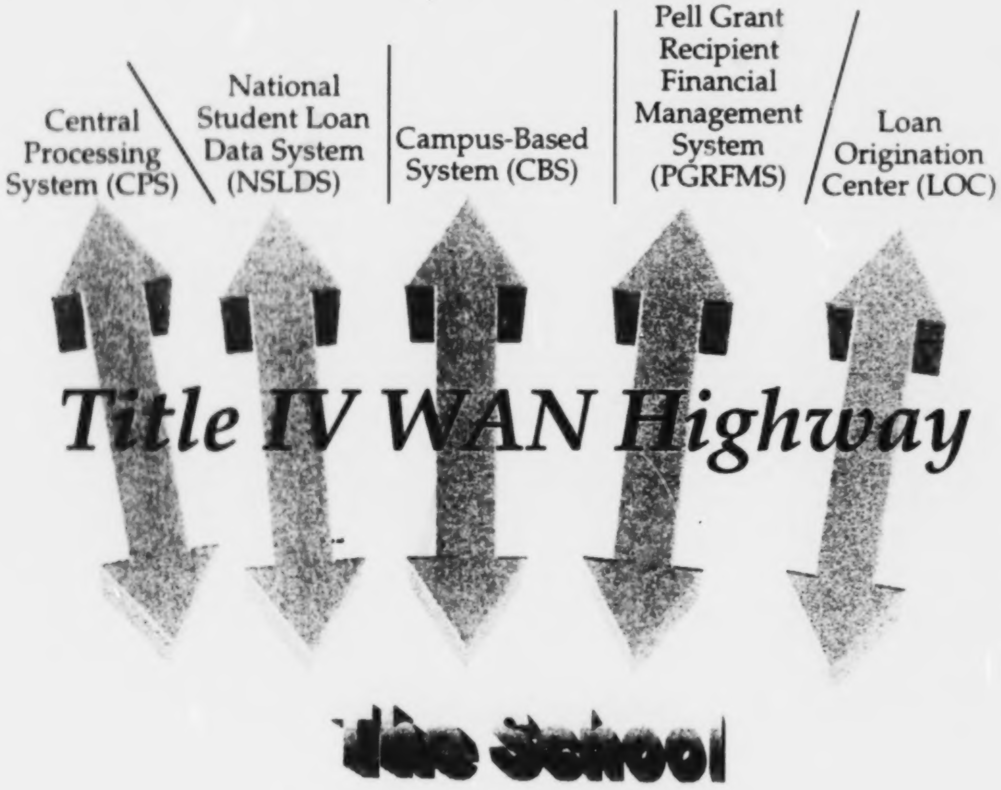
* Required if institutions want to use the EDExpress Tutorial and the AWARE software

** Will be necessary to access the "Info for Financial Aid Professionals" website or the Student Financial Assistance Bulletin Board System (SFA BBS) and for submission of the Application for Approval to Participate in Federal Student Aid Programs (recertification, reinstatement, and changes)

***Currently must use Netscape Navigator 3.0 or 3.01 (domestic) in order to utilize FAFSA on the web. The Department is currently testing other web browsers that will be made available to the public in the near future

How do schools send and receive data electronically?

TIV WAN Destination Points

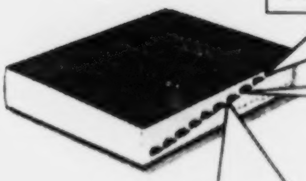

Central Processing System (CPS)
National Student Loan Data System (NSLDS)
Campus-Based System (CBS)
Pell Grant Recipient Financial Management System (PGRFMS)
Loan Origination Center (LOC)
Title IV WAN Highway
The School

✓ Checkpoint #1 – Destination Points

In the situation described below, fill in the blanks.

Santana College has just gotten connected to the Title IV Wide Area Network. They are anxious to get off the ground with several processes.

First, financial aid employees take a pile of student FAFSAs so they can enter the data to send it to the ______for processing. The school, a Perkins participant, is also in the process of completing its Fiscal Operations Report and Application to Participate (FISAP), which it will send to the______. Being a Direct Loan school, some members of the staff are busy preparing data to submit to the _____. Then they need to report overpayment information to the _______. Finally, they must report Pell disbursements to ________.



Batching – combining several student files into one package to send to an ED destination point over the Title IV Wide Area Network

Exporting – moving batches from EDExpress or similar software into EDconnect so they can travel over TIV WAN

Importing – moving files from EDconnect into EDExpress or similar software for processing.

Filenames

Message Class				Extension
Electronic Applications EAPS	1998-99 99	In to ED IN	.	First file of this type DAT
Content of File	Year	Which way the data is moving		The number of files of this type there have been
SARA Processed applications (ISIRs)	99 1998-99	OP Out from ED	.	002 Third file of this type

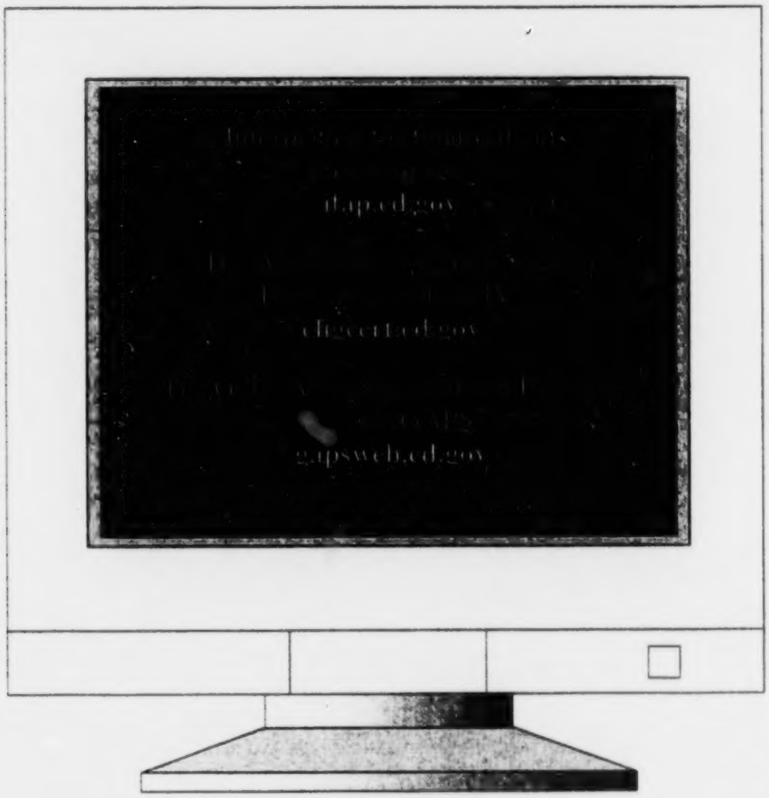
Checkpoint #2 – Terminology

1) A package of data is called a _______.

2) You can create a _______ using _______, and then _______ it into _______ so it can ride the TIV WAN highway.

3) The process of _______ involves moving data from EDconnect into _______.

What role does the Internet play in Title IV?



Final Exam – Electronic Requirements

True or False

1) Even though ED requires schools to be able to access the IFAP page, ED will always send paper versions of Dear Colleague letters to schools. _________

2) The vehicle on which schools must place their data to be sent over the TIV WAN highway is called Net*Connect. _______

3) The Central Processing System (CPS) and the school's financial aid office are both examples of destination points. _______

4) In the filename EAPS99IN.001, the IN describes data coming in to the school from ED. _______

5) Schools must register with ED to use any part of the IFAP web site. _______

6) Some features of EDExpress involve creating electronic applications. _______

7) Data your school receives over the TIV WAN must be imported from EDconnect into EDExpress (or other software) before you can read and use the data. _______

8) If your school undergoes a change of ownership, you must now report this change to ED electronically. _______

9) Your business office may either use GAPS or call ED to request funds. _______

10) Electronic participation is strongly encouraged by ED, but is not currently required. _______

How do schools get answers to questions regarding the electronic requirements?

CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	**ED Software and Technical Resources**
CPS Customer Service and Direct Loan Technical Customer Service 1-(800) 330-5947 (7:00 A.M. - 7:00 P.M. CST) e-mail: CPS@NCS.COM fax: 1-(319) 358-4260	✦ Technical support for EDExpress for Windows (Application Processing, Packaging, Direct Loans, SSCR), EDExpress for Windows Tutorial (CD-ROM and diskette versions), AWARE (Early Awareness Software), IQAP for Windows, FISAP software, and Pell Payment for Windows ✦ Questions on ISIRs (applications, corrections, and duplicates) ✦ PC and LAN configuration support to run EDExpress ✦ Phone walk-through of software to ensure user understanding ✦ State agency electronic data needs (EDE or tape) ✦ Questions regarding EDE Technical Reference for custom system developers ✦ SSCR record processing in EDExpress ✦ Data reconciliation issues between DL schools and DL Origination Center ✦ On-site support at DL schools to ensure continued processing ✦ Questions on FISAP software	**Software** ✦ EDExpress (Application Processing, Packaging, Direct Loan, SSCR) software ✦ EDExpress for Windows Tutorial (CD-ROM or diskette) ✦ AWARE (Early Awareness Software) ✦ IQAP for Windows ✦ FISAP (to be released Summer 1998) ✦ PC hardware/software support for Pell Payment software for Windows **Technical Specifications** ✦ *Electronic Data Exchange (EDE) Technical Reference Guide* (process FAFSA application data with CPS, interface external systems with EDExpress, SSCR, and Packaging functions)

BEST COPY AVAILABLE

CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES (CONT'D)

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	ED Software and Technic [illegible]
FAFSA on the Web/FAFSA Express Customer Service 1-(800) 801-0576 (7:00 A.M. - 4:30 P.M. CST) e-mail: CPS@NCS.COM	✦ Technical support for FAFSA on the Web and FAFSA Express ✦ Assist with FAFSA Express software on user's PC (from disk or downloaded from ED's Web page) ✦ Questions regarding applicant status and signature page hold ✦ Basic connectivity questions to transmit application ✦ Help accessing the Web page	**Software** ✦ FAFSA on the Web ✦ FAFSA Express
Title IV WAN Customer Service 1-(800) 615-1189 (7:00 A.M. - 10:00 P.M. CST) e-mail: T4WAN@NCS.COM	✦ Technical support for EDconnect for Windows, Integrated Application Menu (IAM), and mainframe transmission software ✦ Transmission problems connecting to the network ✦ Transmission errors ✦ Network password changes and resets ✦ Status of mailbox ✦ Restoring data to mailbox ✦ Enrollment and participation ✦ Billings and invoices ✦ Distribution of software and user's manual ✦ Technical Support for NSLDS (enrollment, receiving/sending SSCR file, getting into NET*CONNECT for on-line query)	**Software** ✦ EDconnect for Windows ✦ Integrated Application Menu (IAM) software **Technical Specifications** ✦ *Title IV WAN Mainframe Guide* Instructions for using the Title IV WAN in a mainframe environment ✦ *EDconnect for Windows User's Guide* Specific information about using Title IV WAN and EDconnect for Windows

CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES (CONT'D)

Service Unit Phone Number and E-Mail Address	Service Area	
	Customer Service	**ED Software and Technical Resources**
NSLDS Customer Service 1-(800) 999-8219 (7:00 A.M. - 7:00 P.M. EST)	✦ Technical support for Small School Template and DataPrep Software (for Federal Perkins Loan Program reporting) ✦ Default rate calculations ✦ SSCR reporting ✦ Financial aid history (FAT) information (ISIR/prescreening) ✦ Data provider monthly submissions ✦ On-line functions ✦ User manuals	**Software** ✦ Small School Template ✦ DataPrep Software ✦ NSLDS-The Paperless Link (NSLDS Computer Based Training Tutorial) **Technical Specifications** ✦ *NSLDS Data Provider Instructions for Schools* Technical reference providing data to NSLDS
Direct Loan Technical Support for Custom/Combo Institutions 1-(800) 756-4220 (8:30 A.M. - 5:00 P.M. EST) e-mail: DLTS@NCS.COM	✦ Technical assistance in interpreting Direct Loan Technical Reference ✦ Errors received while interfacing an external system with EDExpress ✦ Questions on developing import from external add/change files ✦ Procedural walk-throughs of the Direct Loan Program for schools designing custom systems or planning to interface with EDExpress ✦ On-site support to Direct Loan schools with custom/combo systems	**Technical Specifications** ✦ Direct Loan Technical Reference (create custom system to support all DL Program essentials, or combine portion of EDExpress functions with external systems)

CUSTOMER SERVICES AND OTHER INFORMATION FOR ED SOFTWARE AND ELECTRONIC SERVICES (CONT'D)

Service Unit/Phone Number and E-Mail Address	Service Area	
	Customer Service	ED Software and Technical Resources
Direct Loan Origination Center 1-(800) 848-0978 (7:00 A.M. - 7:00 P.M. EST)	✦ Direct Loan Batch Status ✦ Batch Integrity Errors ✦ Acknowledgments ✦ Rejected Direct Loan Batches ✦ Promissory Notes ✦ Check Sum Errors	
Federal Pell Grant Program Hotline 1-(800)-4PGRANT (8:30 A.M - 5:30 P.M. EST)	✦ Individual Records Rejects ✦ Batch Status ✦ Pell DOS Software Support ✦ Year-to-Date Pell Payment Data Requests ✦ Floppy disk or recipient (tape) data exchange	
Customer Support Branch 1-(800) 433-7327 (9:00 A.M. - 5:00 P.M. EST) e-mail: CSB@ED.GOV fax: 1-(202) 260-4199	✦ Federal Student Financial Aid policy questions ✦ Questions on electronic SFA information for SFA professionals ✦ Liaison to other ED offices	

Answer Key

Checkpoint #1 – Destination Points

CPS; CBS; LOC; NSLDS; PGRFMS

Checkpoint #2 – Terminology

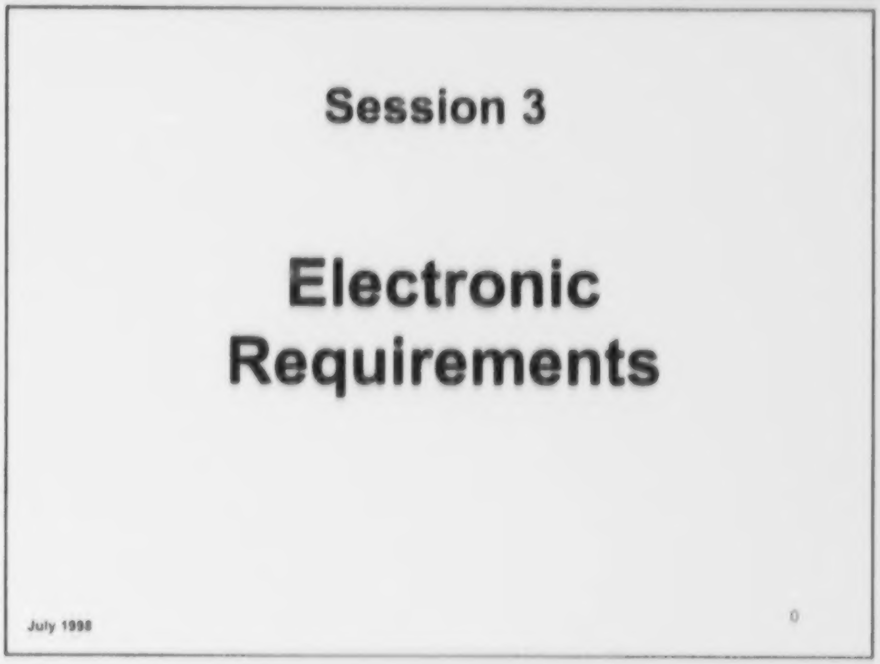
1) **batch**
2) **batch; EDExpress; export; EDconnect**
3) **importing; EDExpress**

Final Exam – Electronic Requirements

1) **False**
2) **False**
3) **True**
4) **False**
5) **False**
6) **True**
7) **True**
8) **True**
9) **True**
10) **False**

Resources

- Dear Colleague Letter GEN-97-11 (Electronic Requirements)
- Dear Colleague Letter GEN-96-20 (EDE participation)
- Dear Colleague Letter GEN-97-6 (Electronic Filing of the Application to Participate)
- 1998-99 EDE Technical Reference
- Payees Guide for the Grant Administration and Payment System (now available at http://gapsweb.ed.gov/training)

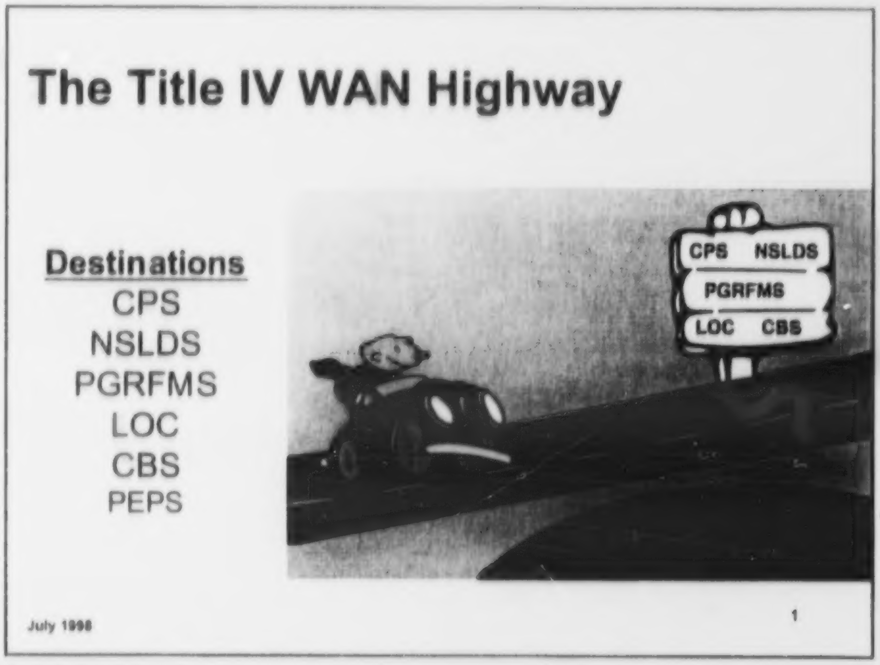


Session 3

Electronic Requirements

July 1998

0

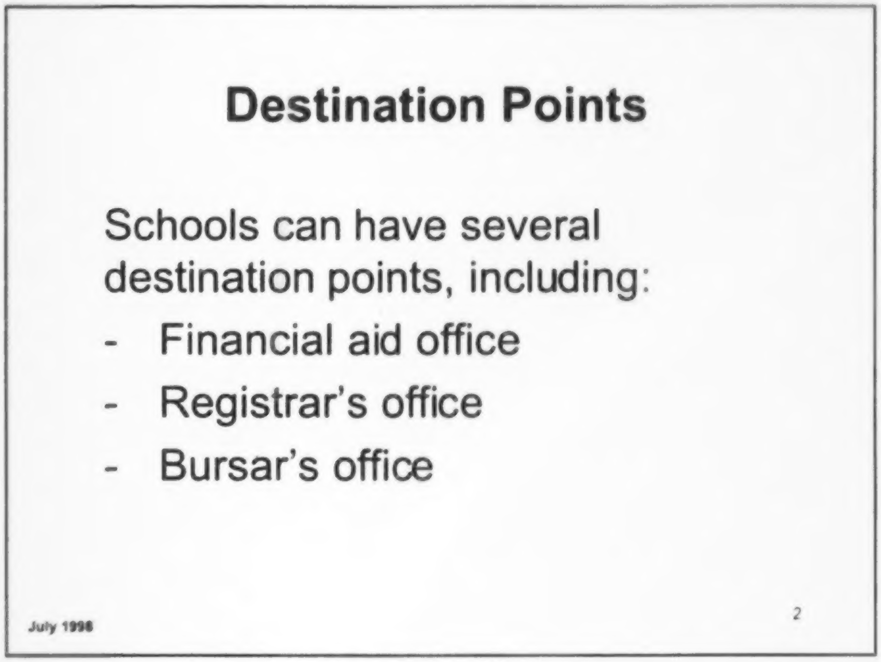


The Title IV WAN Highway

Destinations
CPS
NSLDS
PGRFMS
LOC
CBS
PEPS

July 1998

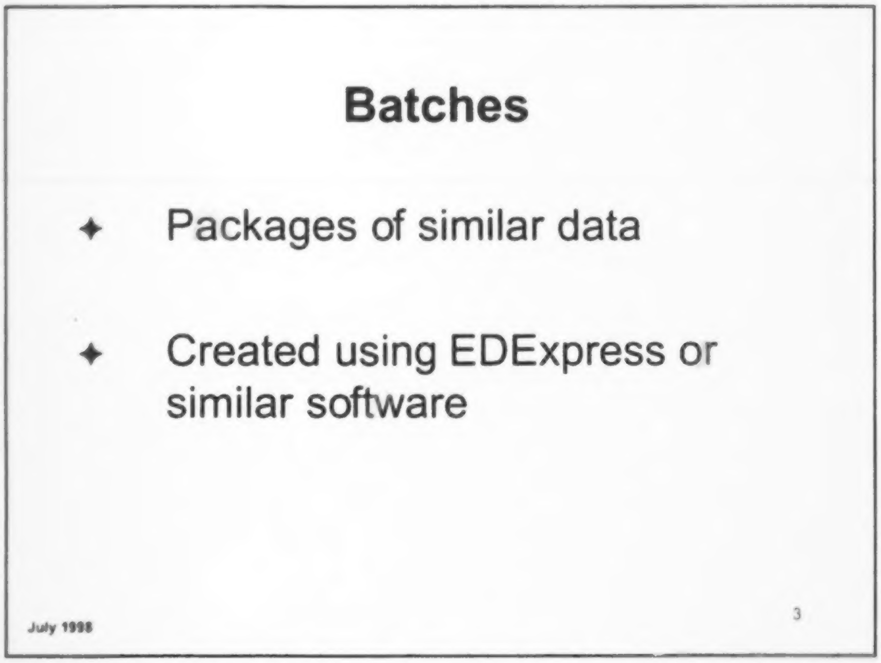
1



Destination Points

Schools can have several destination points, including:

- Financial aid office
- Registrar's office
- Bursar's office



Batches

- ✦ Packages of similar data
- ✦ Created using EDExpress or similar software

EDconnect

The vehicle in which batches ride
to travel on the
TIV WAN highway.

July 1998

4

NET*CONNECT

- Ride the highway yourself
- Access ED databases, like NSLDS, on-line
- Visit the TIV WAN post office to check billing, traffic, your mailbox

July 1998

5

Internet and Title IV

Schools now must use the Internet to:

- ✦ Obtain publications like *Dear Colleague letters*
- ✦ File the Application to Participate
- ✦ Request Title IV funds

Info for Financial Aid Professionals Web Site

- ✦ Effective 7/1/98, schools must access documents from web site [http://ifap.ed.gov]
- ✦ ED will discontinue sending paper copies of DCLs, announcements, the *Federal Register*, and other ED documents to schools

Bookshelf Page

- ✦ For users who know what they are looking for
- ✦ Access information by topic or by document

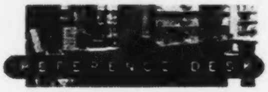
Catalog Page

- ✦ For users who don't know what document(s) contain information they are seeking
- ✦ Lists all documents in Bookshelf page

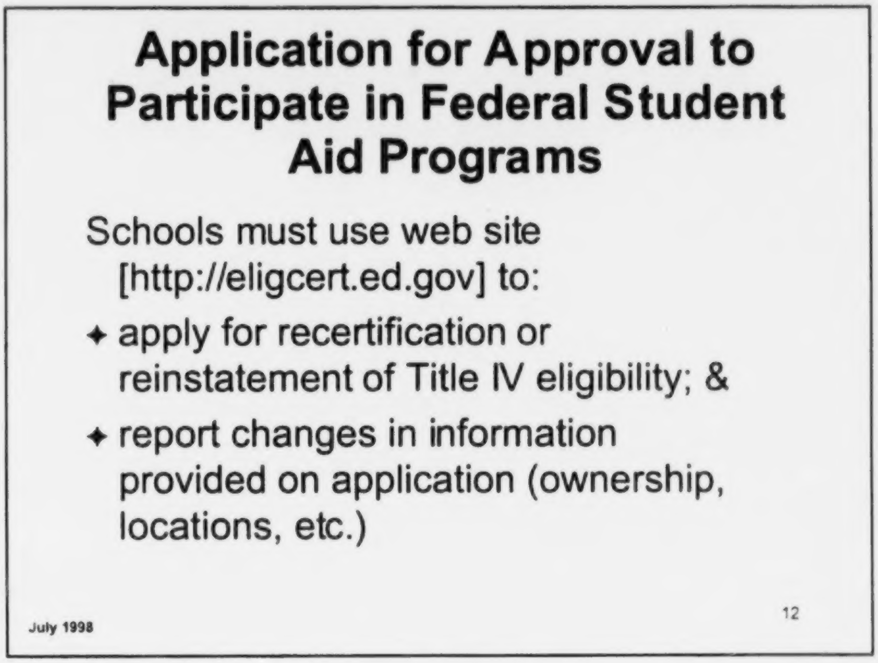
Display Case Page

- New important items
- Issues of renewed interest
- ED documents not published on a regular basis (e.g., Expanding Federal Work-Study and Community Service Opportunities)

Customer Support Reference Desk Page



- Master search page
- Discussion group area
- ED Customer Support information



Application for Approval to Participate in Federal Student Aid Programs

Schools must use web site [http://eligcert.ed.gov] to:

- apply for recertification or reinstatement of Title IV eligibility; &
- report changes in information provided on application (ownership, locations, etc.)

July 1998

Session 4

School Eligibility & Responsibilities

Questions we will answer during this session:

What are the three types of eligible postsecondary institutions?

What are the eligibility requirements my school must meet?

What financial responsibility and administrative capability standards are required of my school?

What are the three types of eligible postsecondary institutions?

1 **Institutions of Higher Education**

2 **Proprietary Institutions of Higher Education**

3 **Postsecondary Vocational Institutions**

What are the requirements my school has to meet to be eligible to participate in Title IV?

See Chapter 3, Section 1 of the *1998-99 Federal Student Financial Aid Handbook* for more information

What's Your Institutional Type?

To find your school type, check all the items in the categories below that apply to your school

Admissions, Accreditation, and Legal Authorization

My institution: (should check all)

_____ is legally authorized by the state where it offers postsecondary education to provide a postsecondary educational program

_____ is accredited by a nationally recognized accrediting agency or has met the alternative requirements

_____ admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory attendance in the state where the institution is located

Program Offered

*This is called a "short-term program"; it may only participate in Direct Loan and FFEL Programs, and it must also meet specific qualitative standards.

My institution offers: (check all that apply)

(a)_____ a program that provides an associate, baccalaureate, graduate, or professional degree

(b)_____ at least a two-year program acceptable for full credit toward bachelor's degree

(c)_____ at least a one-year training program that leads to a degree, certificate, or other recognized educational credential and prepares students for gainful employment in a recognized occupation.

(d)_____ training for gainful employment in a recognized occupation ***and*** meets the criteria of at least one category in the next column

(d1)_____ at least a 15-week undergraduate program, 600 clock hours, 16 semester or trimester hours, or 24 quarter hours (may admit students without associate degrees or equivalent)

(d2)_____ at least a 10-week program, 300 clock hours, 8 semester or trimester hours, or 12 quarter hours (must be a graduate/professional program, or must only admit students with associate degrees or equivalent)

(d3)_____ at least a 10-week undergraduate program, 300-599 clock hours; must admit some students without an associate degree or equivalent*

Two-Year Rule

My institution: (check if applicable to your school)

(e)_____ has been legally authorized to give (and has been giving) postsecondary instruction for at least two consecutive years.

Control

My institution is: (check all that apply)

(f)_____ public (g) _____ private (h) _____ non-profit (i) _____ for-profit

Key

**Each institutional type is located in a state

Use the key below to determine your institutional type:**

If you selected items **a** or **b** or **c**; **f** or **g**; and **h**; then your institutional type is **Institution of Higher Education**

If you selected items **d** (including **d1**, **d2**, or **d3**), **e**, **g**, and **i**; then your institutional type is **Proprietary Institution of Higher Education**

If you selected **d** (including **d1**, **d2**, or **d3**); **e**; **f** or **g**; and **h**; then your institutional type is **Postsecondary Vocational Institution**

What financial responsibility and administrative capability standards are required of my school?

Title IV Financial Responsibility Standards

All Schools

A school is financially responsible if it meets the following criteria:

Provides all services described in its official publications and statements*

Provides administrative resources necessary to comply with requirements for participating in Title IV programs*

Meets all of its financial obligations,* including payment of:

- required refunds to students and
- liabilities and debts to ED

Is current in paying any institutional debts*

Posts an irrevocable cash reserve, acceptable and payable to ED, equal to at least 25% of the total amount of Title IV program refunds paid by the school in the previous fiscal year**

Does not have as part of its most recent audit report*:

- a statement expressing substantial doubt of the school's ability to continue as a going concern *or*
- a disclaimed or adverse opinion by the accountant

The individual who exercises significant control over the school does not owe a liability for a Title IV program violation, unless the school and the individual owing the liability meet the provisions of 668.15(d)(4)

Has not been limited, suspended, or terminated *or* has not entered into a settlement agreement to resolve a limitation, suspension, or termination within the preceding 5 years

Was not required to repay an amount greater than 5% of Title IV funds received for an award year as a result of findings during its 2 most recent program reviews or audits

Was not cited during the preceding 5 years for failure to submit acceptable audit reports in a timely manner

Did not fail to resolve satisfactorily any compliance problems identified during a program review or audit

If a For-Profit Institution*

Maintains an acid-test ratio of 1:1 in terms of the school's cash (excluding any irrevocable line of credit requested by ED) and current receivables to current liabilities, **and**

Has not had operating losses in either or both of its past 2 fiscal years that in sum have resulted in more than a 10% reduction in the school's tangible net worth, **and**

Has a positive tangible net worth for its most recent fiscal year,

OR

Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

If a Nonprofit Institution*

Demonstrates at the end of its most recent fiscal year an acid-test ratio of 1:1 in terms of the school's cash and current receivables to current liabilities, **and**

(1) Has at the end of its most recent fiscal year a positive unrestricted current fund balance or positive unrestricted net asset *or*

(2) Has not had an excess of current fund expenditures greater than current fund revenues during the past 2 fiscal years that have resulted in more than 10% reduction in the school's unrestricted current fund balance or unrestricted net assets

OR

Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

If a Public Institution*

(Needs to meet only one of the following)

Has its liabilities backed by the full faith and credit of the state or other equivalent government entity, *or*

Has a positive unrestricted current fund balance, if reporting under the Single Audit Act, *or*

Has a positive unrestricted current fund balance in the state's higher education fund as presented in the general purpose financial statements, *or*

Submits documentation from the state auditor general that it has met all of its financial obligations during the past year and has sufficient resources to meet all of its financial obligations

OR

Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

---

* A school may be considered financially responsible even if the school fails to meet this standard if the school submits to ED an irrevocable letter of credit of not less than one-half the Title IV program funds received by the school for an award year *or* the school is able to establish that it has sufficient resources to ensure against its precipitous closure.

** This standard does not apply if the school:

1. is located in a state that has a tuition-recovery plan that is acceptable to ED, and the school contributes to that tuition-recovery fund;
2. has its liabilities backed by the full faith and credit of the state or by an equivalent governmental entity; *or*
3. demonstrates to ED that for each of the two most recently completed fiscal years it has made timely refunds to students and has met all of the financial responsibility standards.

Title IV Administrative Capability Standards

A school is administratively capable if it:

- administers Title IV programs in accordance with all Title IV requirements;
- designates a capable individual to be responsible for administering Title IV programs;
- has adequate staffing for administering Title IV programs;
- communicates to the individual responsible for administering Title IV programs all information that bears on a student's Title IV eligibility;
- has written procedures for administering Title IV programs;
- administers Title IV programs with adequate checks and balances in its system of internal controls;
- divides the functions of authorizing Title IV payments and disbursing/delivering Title IV funds so that the functions are carried out by at least two (2) organizationally independent individuals;
- establishes and maintains required Title IV records;
- for purposes of determining student eligibility for Title IV assistance: establishes, publishes, and applies reasonable standards for measuring whether a student is maintaining satisfactory academic progress in completing his/her educational program;
- develops an adequate system for resolving discrepancies in information related to a student's application for Title IV assistance;
- refers to ED's Office of Inspector General information indicating when an applicant for financial aid, employee, or agent of the school might have engaged in fraud or other criminal misconduct in connection with Title IV programs;
- provides adequate financial aid counseling to Title IV Program applicants;
- submits all required Title IV program reports in a timely manner, including required fiscal reports and financial statements;
- does not demonstrate any significant problems in its ability to administer Title IV programs;
- does not have any individual affiliated with the school who is/has been debarred or suspended or is engaging in any activity that is cause for suspension or debarment under Executive Order 12549 or the Federal Acquisition Regulation;
- for a school that seeks initial participation in a Title IV program: does not have more than 33% of its students withdraw during an academic year;
- has a cohort default rate* of less than 25% under the Federal Family Education Loan Program and/or Direct Loan Program for each of the three (3) most recent fiscal years and equal to or less than 15% under the Federal Perkins Loan Program; and
- does not appear to lack the ability to administer Title IV programs competently.

*If a school is determined not to be administratively capable on the basis of this standard only, ED will provisionally certify the school's participation in Title IV programs.

Financial Aid Calendar

This Financial Aid Calendar was developed to help financial aid administrators identify when deadlines must be met and when they can expect to receive certain items from the U.S. Department of Education (ED).

The 1998-99 Federal Student Financial Aid Handbook and regulations provide more specific information.

Keep in mind that regulations governing the federal student financial aid programs are often amended. You will find it necessary to update and revise your calendar as you receive notices of any changes.

Each institution must determine the most effective way to operate its financial aid office. Because schools vary in the size and scope of their financial aid programs, there is no one best way to administer a financial aid office. Nevertheless, due to many requests for guidelines to follow throughout the year, especially from schools that are new to Title IV programs, ED offers the following suggestions.

Managing a financial aid office:

- Provide adequate staff to ensure a proper division of responsibilities.
- Define staff roles.
- Develop and maintain a policies and procedures manual.
- Establish and maintain a file of ED-issued "Dear Colleague" letters.
- Maintain an up-to-date collection of statutory and regulatory requirements for managing Title IV programs.
- Maintain a library of resource materials, including the *Audit Guide, The 1998-99 Federal Student Financial Aid Handbook, The 1998-99 Counselor's Handbook for Postsecondary Schools,* and *The Blue Book.*

Staff-related functions:

- Identify training opportunities, such as those provided by ED and professional associations. Determine staff members from various offices (business office, financial aid office, and so on) who should attend these training workshops.
- Plan for regularly scheduled staff meetings and in-house training.
- Schedule vacations so that appropriate staff members are available during critical periods.

Scheduling:

- Determine due dates for any internal financial aid reports, for reports due to federal and state agencies, and for any scholarship reports.
- Determine specific deadlines your school must meet.
- Coordinate activities with related school offices, such as the admissions office and business office.
- Determine when to develop the upcoming year's financial aid calendar.

Audits and self-evaluation:

- Identify time frames for required audits and any optional self-evaluations.

- Conduct documentation reviews of student files for compliance.

Forms and brochures:

- Review and update all institutional brochures and consumer information regularly. Remember to allow time for printing.
- Request or produce necessary financial aid forms in a timely manner to assure adequate supplies.
- Publish deadlines and priority dates by which applicants must complete and return all student financial aid forms and documentation.

Letters and reminders:

- Determine dates for mailing out award letters, if applicable.
- Identify dates to send out various types of reminders and notices to students about loan counseling sessions.
- Determine dates for sending any necessary forms or reports to ED.

Arranging interviews and counseling:

- Schedule group sessions for students interested in financial aid.
- Schedule entrance and exit loan counseling for Federal Perkins, Federal Family Education Loan (FFEL), and Federal Direct Loan borrowers.
- Schedule interviews for verification, when necessary.

Satisfactory academic progress:

- Determine the borrower's satisfactory academic progress before making each Title IV disbursement (except FWS).
- If necessary, send letters, schedule interviews, and/or determine specific times when appeals will be considered.

Campus-based programs:

- Update the ED-required lobbying disclosure form quarterly, if necessary.
- Reconcile monthly campus-based fiscal operations.
- Federal Work-Study:
    - ◊ Locate student job positions on campus and off campus, as needed.
    - ◊ Determine times for reconciling FWS payroll.
    - ◊ Coordinate FWS payroll activities (determine who is responsible for placing students, submitting time sheets, and monitoring earnings).

Federal Pell Grants:

- Reconcile Student Payment Summary reports with Pell Grant disbursement ledgers quarterly.
- Amend reporting on expected disbursements, as necessary, for students who have withdrawn or graduated.
- Schedule meetings with the business office to make sure program refunds are made within a 30-day period and that the Student Payment Summary (final report) agrees with the final general ledger and Fiscal Operations Report and Application to Participate (FISAP).
- If disbursement records need to be updated, reconcile internal Pell Grant disbursement records monthly (for example, existing records need corrections because students have withdrawn from school or new Pell Grant recipients need to be reported).

Direct Loans:

- Reconcile monthly.
- Review error reports.

JULY*

- Beginning of new federal student financial aid award year.
- Deadline for institutions to send reallocation forms to ED to release previous year's unexpended balances for campus-based programs.
- ED issues current year's Federal Perkins Loan teaching-service cancellation reimbursements to institutions.
- Schools must report to ED if their percentage of correspondence, incarcerated, or ability-to-benefit students or their correspondence courses exceed applicable limits.

* Specific dates can vary from year to year.

AUGUST*

- The previous year's FISAP in the Federal Perkins Loan, FSEOG, and FWS Programs and drug-free workplace, anti-lobbying, and debarment certification forms are distributed to institutions by ED.
- Deadline for a student undergoing verification to submit a reprocessed Student Aid Report (SAR) or Institutional Student Information Record (ISIR) for the previous year to the financial aid office.
- ED disseminates the current year directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.
- Federal Perkins Loan participant schools must submit annual Safeguard Activity Reports to maintain eligibility to participate in the Internal Revenue Service (IRS)/ED skip-tracing service.

* Specific dates can vary from year to year.

SEPTEMBER*

- ED publishes Fall Financial Aid Training Calendar.
- Publish and distribute annual institutional security report.
- Suggested date for institutions of higher education (IHEs) to submit drug-prevention certifications to ED, if applicable.
- Last date for upcoming year's electronic FISAP transmission and postmark for signed drug-free workplace, anti-lobbying, and debarment certifications.
- Deadline for final Electronic Pell Payment Data Records for previous year.
- Supplemental allocations for current year's campus-based programs distributed to participating schools.

* Specific dates can vary from year to year.

OCTOBER*

- Upcoming year's FISAP due.
- Deadline for an institution to certify to ED that it has adopted and implemented a program to prevent the illicit use of drugs and the abuse of alcohol by students and employees.
- Deadline for ED's receipt of the previous year's Paul Douglas Teacher Scholarship Program Performance Report.
- Equity in Athletics Disclosure Act (EADA) report due. (This must be made available to the public, but submission to ED is required only if requested by ED.)

* Specific dates can vary from year to year.

NOVEMBER*

- Upcoming year's Renewal FAFSA and instructions scheduled for distribution to students.
- Upcoming year's Free Application for Federal Student Aid (FAFSA) forms and instructions scheduled for distribution to institutions.
- Institutions receive previous year's FISAP edits and computer printouts.

* Specific dates can vary from year to year.

DECEMBER*

- School receives procedures for appealing campus-based allocations.
- Deadline for transmitting previous year's FISAP corrections and edits to ED.

* Specific dates can vary from year to year.

JANUARY*

- ED publishes Winter Financial Aid Training Calendar.
- Students begin applying for financial aid for the upcoming academic year.
- Institutions applying for participation in one or more of the campus-based programs for the first time in the upcoming year must submit all documents required for determining eligibility to ED's Institutional Participation and Oversight Service (IPOS).

* Specific dates can vary from year to year.

FEBRUARY*

- ED makes the upcoming year's final Pell Grant Payment Schedule available to institutions.
- ED makes the upcoming year's campus-based program funding levels available to institutions.
- Deadline for ED to receive campus-based allocation appeals from schools.

* Specific dates can vary from year to year.

MARCH*

- Final Pell Grant Administrative Cost Allowance payment for previous year mailed to institutions.
- Deadline for institutions to file waiver or appeal of loss of FWS and/or FSEOG on the basis of under utilization.

* Specific dates can vary from year to year.

APRIL*

- Upcoming year's final campus-based allocation letters mailed to institutions.
- ED issues addendum to the upcoming year's directory listing of low-income schools for teacher cancellation benefits under the National Defense/Direct and Federal Perkins Loan Programs.

* Specific dates can vary from year to year.

MAY*

- ED publishes Summer Financial Aid Training Calendar.
- Anti-Lobbying Certification forms must be returned to ED by schools with campus-based programs that have allocations exceeding $100,000.

* Specific dates can vary from year to year.

JUNE*

- Deadline for schools to receive a valid SAR or ISIR.
- Deadline for excess Federal Perkins Loan cash on hand to be returned to ED.
- ED issues approval/denial letters for institutional requests for the upcoming year's waivers of Federal Work-Study and FSEOG institutional share requirements.
- Free Application for Federal Student Aid (FAFSAs) for the current award year must be received by the federal processor.

* Specific dates can vary from year to year.

Case Study

Case Study 1: Gemma Stark

Dave Sutton, the business manager of Winsom Beauty Academy, won the top prize from Publisher's Clearinghouse and cleared out his desk at Winsom giving two hours notice.

George Bright, Winsom's CEO since 1995, was surprised, but he wasn't too concerned about disbursing student aid payments to the new class of 20 students that had just enrolled. The reason: The school's financial aid officer, Gemma Stark, was known to be thoroughly familiar with all of the student aid procedures at the school (she had been there for 10 years longer than George). He called Gemma to his office and said that he would have to ask her to take on the task of writing student checks, along with working up students' award packages, until Dave could be replaced. George assured Gemma that she would receive a nice bonus for this extra work, and said how glad he was to have someone on the staff who could be trusted to handle all of the important Title IV requirements.

What should Gemma reply? Why?

Case Study 2: Minna Lake

Minna Lake has agreed to try something new after many years of successful cello teaching and assumed the job of student aid counselor at Sterling School of Music. Learning of an ED-sponsored Title IV training workshop in the nearest ED regional-office city (about 300 miles away), she asks Strobe Leight, the school's financial aid director, to approve her travel to the workshop.

Strobe says, "Minna, I just don't see how we can spare you for four days with the backlog of work that's piled up since Sergio left for the Met. You can go to some training later this year."

Is this a wise decision by Strobe? Why or why not?

Case Study 3: Callie Fahey

"How disappointing that nice young man turned out to be a crook," thought Callie Fahey, Frasker Junior College's financial aid director. Her reaction came after Frank Linn, her counterpart at Sanger Tech, gave her evidence that freshman Jed Hart had used a false name and Social Security number to get Pell Grants at Frasker and Sanger at the same time. "Oh well, he's apparently left town, so it's not my problem any more," she shrugged.

Whose problem is it? Why?
(Hint: Check the Administrative Capability Chart)

Answer Key

Case Studies

Gemma Stark:
Issue – Separation of Functions

Minna Lake:
Issue – Training (Minna should attend whenever possible.)

Callie Fahey:
Issue – Fraud (School personnel must report fraud involving Title IV.)

Resources

- The 1998-99 Federal Student Financial Aid Handbook, Chapter 3, Section 1
- Dear Colleague Letter GEN-95-26 (85/15 Rule)
- Dear Colleague Letter GEN-97-6 (reporting changes)
- Dear Colleague Letter GEN-97-11 (electronic requirements)
- 34 CFR 668.15, 668.16

Session 4

School Eligibility & Responsibilities

Participation in Title IV Programs require:

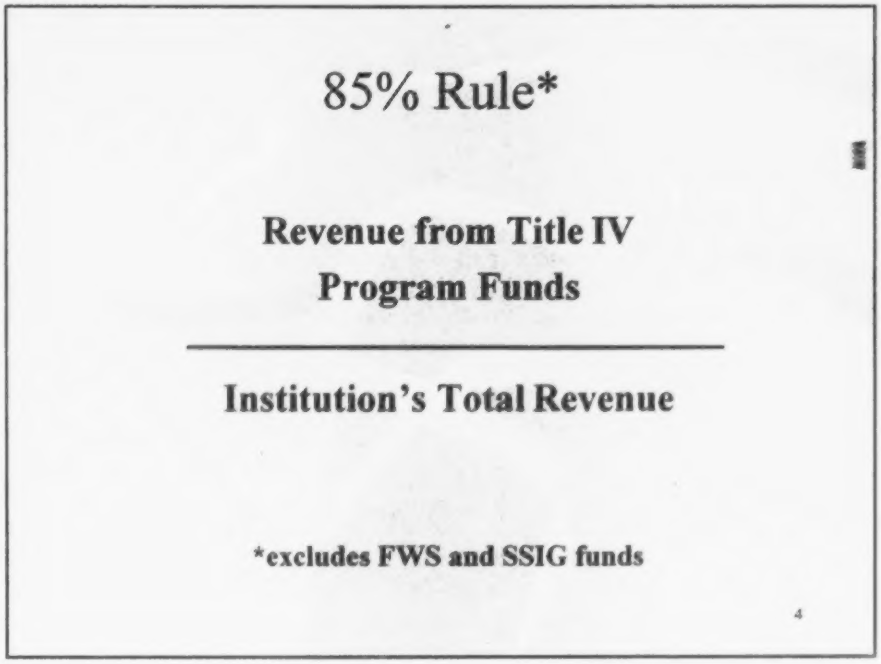
- **Institutional Eligibility**
- **Financial Responsibility**
- **Administrative Capability**

Differences in Schools

- CONTROL
- LENGTH OF PROGRAMS

Eligibility Factors

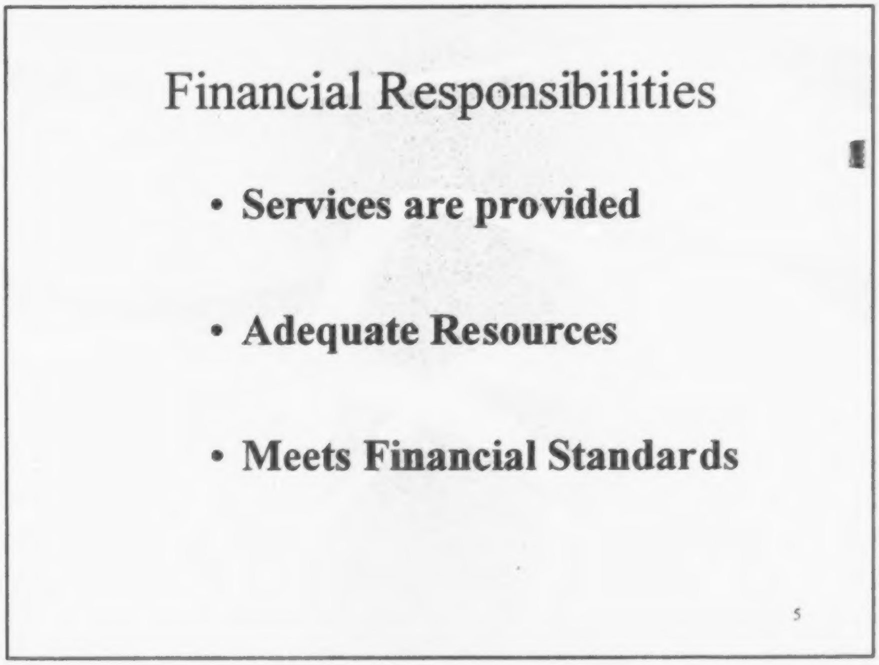
- State Authorization Status
- Accreditation
- School's Programs
- Length of Existence



85% Rule*

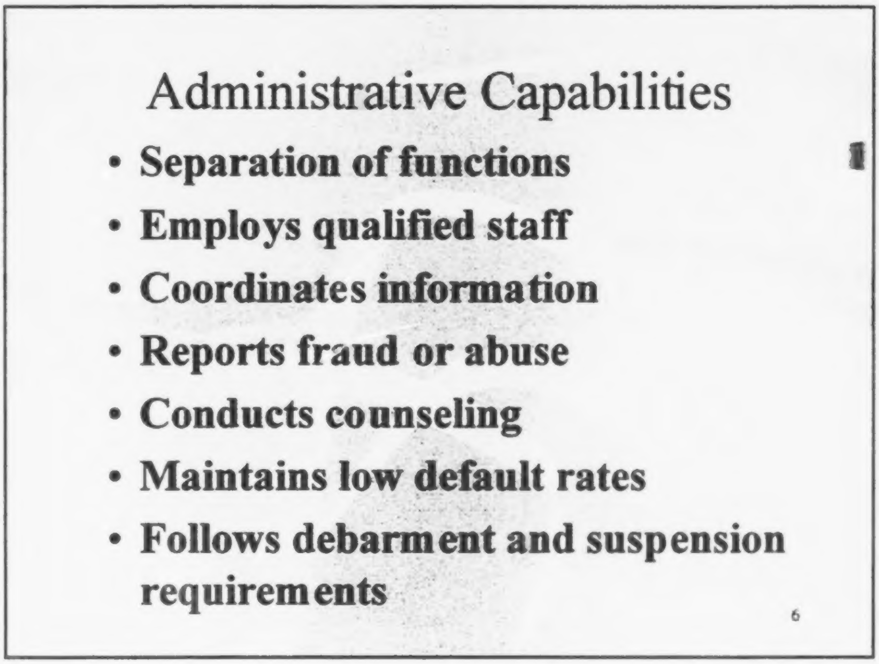
$$\frac{\textbf{Revenue from Title IV Program Funds}}{\textbf{Institution's Total Revenue}}$$

***excludes FWS and SSIG funds**



Financial Responsibilities

- **Services are provided**
- **Adequate Resources**
- **Meets Financial Standards**



Administrative Capabilities

- **Separation of functions**
- **Employs qualified staff**
- **Coordinates information**
- **Reports fraud or abuse**
- **Conducts counseling**
- **Maintains low default rates**
- **Follows debarment and suspension requirements**

Session 5

Cash Management

Questions we will answer during this session:

How do schools divide programs into payment periods?

How and when do schools request funds from ED?

How and when do schools disburse funds?

What types of bank accounts must schools use for Title IV?

We offer:

Many attractive clock-hour programs

Pell Grants

Federal Family Education Loans

AUGUST 1998

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
2	3	4	5	6	7	8
9	10 Start obtaining authorization from FFEL borrowers to use EFT	11	12	13	14	15
16	17 Send out notice of upcoming credits to student accounts and right to cancel FFELs	18	19	20	21	22
23	24	25	26 Request FFEL funds (except for 1st-time, 1st-year borrowers)	27 Request Pell funds	28 Pell & FFEL funds arrive!	29
30	31 Credit student accounts with Pell, FFEL (except 1st-time, 1st-year borrowers)					

Hale University..............................Go Halos!!!

SEPTEMBER 1998

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 Credit balances occur	2	3	4	5
6	7 **LABOR DAY**	8 **Classes Start!!!**	9 Send notice of upcoming credit & right to cancel to 1st-time, 1st-year FFEL borrowers	10	11	12
13	14	15 Must pay credit balances to students & last day FFEL can. required except 1st-time, 1st-yr brwrs	16	17	18	19
20	21 **ROSH HASHONAH** (No classes)	22 **ROSH HASHONAH**	23 Last day FFEL cancellation required for 1st-time, 1st-year borrowers	24	25	26
27	28	29	30 **YOM KIPPUR** **(No classes)**			

Hale University..............................Go Halos!!!

OCTOBER 1998

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5 Request FFEL funds for 1st-time, 1st-year borrowers	6	7	8 Credit accounts of 1st-time, 1st-year borrowers with FFEL funds	9	10
11	12 Columbus Day (no classes)	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

How do schools divide programs into payment periods?

Term-Based School
The payment period is the term.

Nonterm School
If the program is one academic year or less in length, divide it into at least two equal payment periods.

Example 1: 900 clock-hour academic year

800 CLOCK HOUR PROGRAM

400 CLOCK HOURS | **400 CLOCK HOURS**

If the program is longer than one academic year, and the remainder of the program is less than or equal to one half of an academic year, the final payment period is the final portion of the program.

Example 2: 900 clock-hour academic year

1200 CLOCK HOUR PROGRAM

450 CLOCK HOURS | **450 CLOCK HOURS**

300 CLOCK HOURS

If the program is longer than 1.5 year, but less than 2 years, the final portion of the program is divided into at least 2 equal payment periods.

Example 3: 900 clock-hour academic year

1600 CLOCK HOUR PROGRAM

450 CLOCK HOURS | **450 CLOCK HOURS**

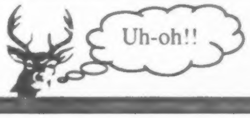
350 CLOCK HOURS | **350 CLOCK HOURS**

Checkpoint #1: Payment Periods

Hale University uses a 900-clock-hour academic year. Their mountain climbing program is 1800 clock hours long. Their taxidermy program is 1300 clock hours long.

Divide Mountain Climbing into payment periods:

1st Year:		
2nd Year:		



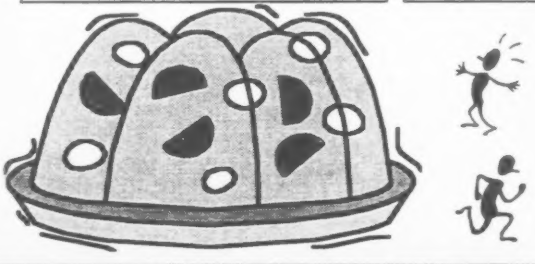
Divide Taxidermy into payment periods:

1st Year:		
2nd Year:		

The Food Institute is a nonterm credit-hour school. Each academic year is 24 credit hours. Their Culinary Design program is 64 credit hours long.

Divide the Culinary Design program into credit hours:

1st Year:		
2nd Year:		
3rd Year:		



How and when do schools request funds?

Timing of Requests

(see Hale University's calendars, pages 3-5)

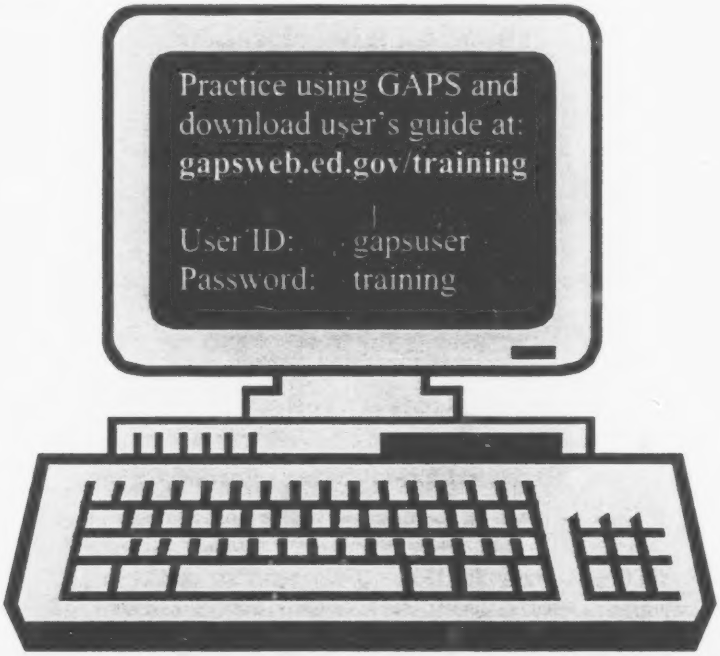
Request funds when you need to disburse to students. In general, you must disburse within **3 business days**.

Earliest request is usually **13 days before** payment period starts. (With Direct Loan or FFEL funds, this differs for 1^{st}-time, 1^{st}-year borrowers.)

Method of Requesting

The Grant Administration and Payment System (GAPS)

- Request funds from ED over the Internet
- User ID, password needed
- Handled by business office



Practice using GAPS and download user's guide at: **gapsweb.ed.gov/training**

User ID: gapsuser
Password: training

Checkpoint #2: Requesting Funds

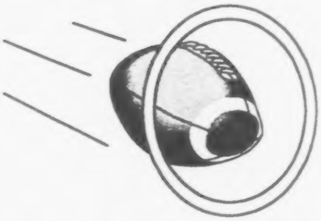
1) The methods of requesting Title IV funds include:
    a) EFT, BBS, Master Check
    b) EFC, EFT, EFA
    c) EFT, Master Check, individual check

2) The earliest schools can request most Title IV funds is:
    a) 30 days before the payment period
    b) the first day of the payment period
    c) 13 days before the payment period
    d) none of the above

3) Those who use GAPS will:
    a) probably work in the business office
    b) use it to request funds from ED
    c) need a User ID and password
    d) all of the above

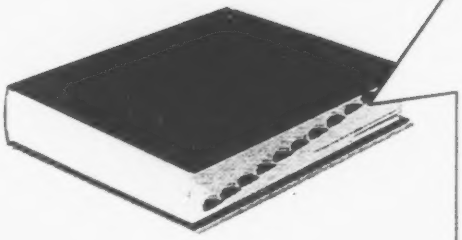
4) Schools on the advance payment method:
    a) need to disburse to students before requesting funds
    b) are usually placed on this method by ED for monitoring
    c) may not be able to participate in the Pell program
    d) none of the above

5) Based on the calendar (pages 3-5), Hale University is clearly on the:
    a) advance payment method
    b) reimbursement payment method
    c) the calendar does not contain enough information



The Hale University Halos:
Football Perfection

How do schools time disbursements?



Disbursement
1) payment to student in cash
2) credit to student's account with Title IV funds

A disbursement can not occur prior to 10 days before the payment period begins.

For 1st-time, 1st-year FFEL and Direct Loan borrowers, disbursement can not occur prior to 30 days after payment period begins

- Time disbursements to benefit student.
- Must disburse at least once per payment period.
- Student must complete payment period (time, coursework, or both, depending on type of funds) before receiving next disbursement.
- See Chapter Three of the *Federal Student Financial Aid Handbook* for more information.

Remember, schools must disburse Title IV funds within 3 business days!!

When Credit Balances Must be Paid

No later than 14 calendar days after the first day of class of a payment period if the credit balance occurred *on or before* the first day of that payment period.

Example A

Day Credit Balance Occurred	First Day of Classes	14 Days After First Day of Classes of Payment Period
September 5, 1997	September 10, 1997	September 24, 1997

No later than 14 calendar days after the balance occurred if the credit balance occurred *after* the first day of a payment period.

Example B

First Day of Classes	Day Credit Balance Occurred	14 Days After Credit Balance Occurred
September 10, 1997	September 20, 1997	October 4, 1997

No later than 14 calendar days after the date the student or parent rescinds the authorization for the school to hold funds.

What types of bank accounts must schools use for Title IV?

Maintaining Title IV Funds

Bank Or Investment Accounts

- ✦ Schools must maintain Title IV funds in a bank or investment account that is federally insured or secured by collateral of value that is the reasonable equivalent of the amount of those funds.
- ✦ Schools participating in the Federal Perkins Loan Program must establish and maintain a Federal Perkins Loan Fund.
- ✦ Federal Perkins Loan Fund must be maintained in an interest-bearing bank account or investment account consisting predominately of low-risk, inc[illegible]producing securities.
- ✦ Schools must maintain Federal Pell Grant, campus-based, and Direct Loan Program funds in an interest-bearing or investment account (except Federal Perkins Loan funds) unless the schools:
  - Drew down less than $3 million in the prior award year and anticipate that they will not draw down more than $3 million in the current award year;
  - Can demonstrate by their cash management practices that they will not earn more than $250 on those funds during the award year; or
  - Will use the just-in-time payment method to request Title IV funds.
- ✦ Schools must identify clearly that Title IV funds are maintained in each bank or investment account that contains Title IV funds. To comply, schools must:
  - Include the phrase "Federal Funds" in each account name; or
  - Notify the bank or investment company of the accounts that contain Title IV funds and retain a record of that notice **and**, unless the school is a public institution, file a UCC-1 statement disclosing that the account contains federal funds.

Separate Accounts

- ✦ Schools are no longer required to maintain FFEL Program funds in separate accounts under 34 CFR 682.207(b).
- ✦ ED may require schools to maintain all Title IV funds, including FFEL Program funds, in a separate bank or investment account containing no other funds if ED determines that schools failed to comply with:
  - Title IV cash management requirements;
  - Title IV recordkeeping and reporting requirements; or
  - Applicable program regulations.

MAINTAINING TITLE IV FUNDS (CONT'D)

Separate Accounts (cont'd)

- If schools are not required to maintain separate accounts and choose not to maintain Title IV funds in separate accounts, they must maintain accounting and internal control systems that identify the:

  - Cash balance of each Title IV program included in a school's bank or investment account as readily as if those program funds were maintained in a separate account; and

  - Earnings on Title IV program funds maintained in a school's bank or investment account.

Treatment Of Earnings On Title IV Program Fund Accounts

- Schools that maintain Federal Pell Grant, FSEOG, FWS, and Direct Loan Program funds in an interest-bearing or investment account may keep the initial $250 earned on those funds during an award year. By June 30 of each award year, the schools must remit to ED all earnings that exceed a total of $250 on those Title IV funds.

- For Federal Perkins Loan Program Funds, any interest or income earned on a fund is retained by the schools as part of the fund.

- Higher drawdowns = higher interest earned = requirement to maintain funds in interest-bearing account

- Schools must return interest earned over $250 (except Perkins).

- ED may require schools to keep Title IV funds in account separate from other funds.

Answer Key

Checkpoint #1: Payment Periods

Mountain Climbing:
1st year – 450 clock hours, 450 clock hours
2nd year – 450 clock hours, 450 clock hours

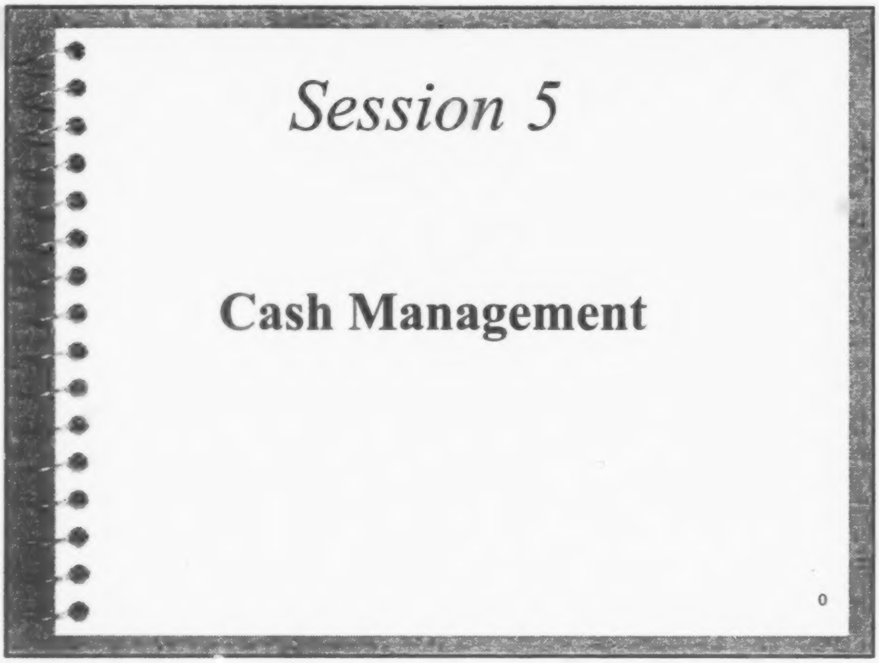
Taxidermy:
1st year - 450 clock hours, 450 clock hours
2nd year - 400 clock hours

Culinary Design:
1st year - 12 credit hours, 12 credit hours
2nd year - 12 credit hours, 12 credit hours
3rd year - 8 credit hours, 8 credit hours

Checkpoint #2: Requesting Funds
1) EFT, master check, individual check (c)
2) 13 days before payment period (c)
3) all of the above (d)
4) none of the above (d)
5) advance payment method (a)

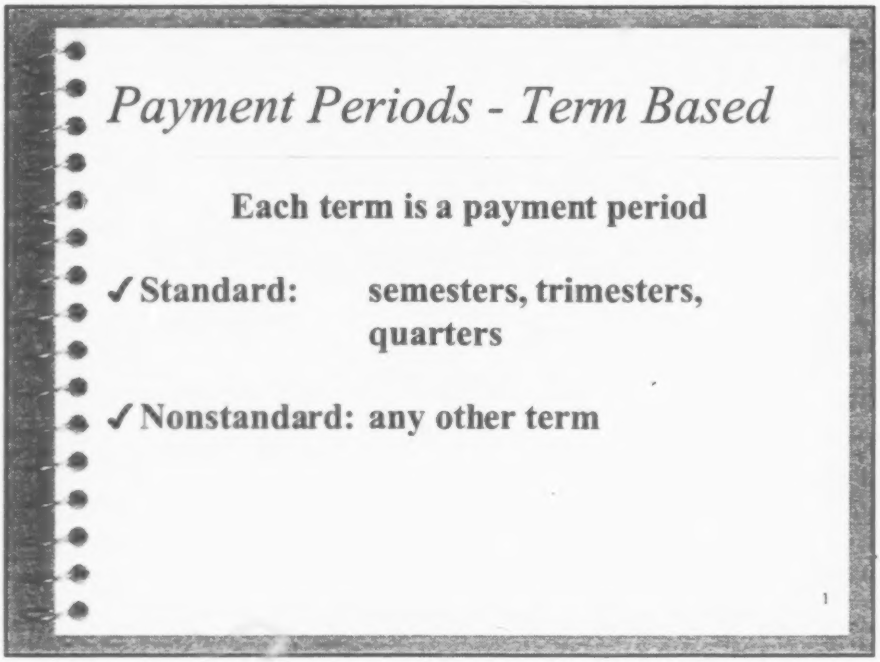
Resources

- ★ The 1998-99 Federal Student Financial Aid Handbook, Chapter 3, Section3
- ★ 34 CFR 668, Subpart K (668.161-167)



Session 5

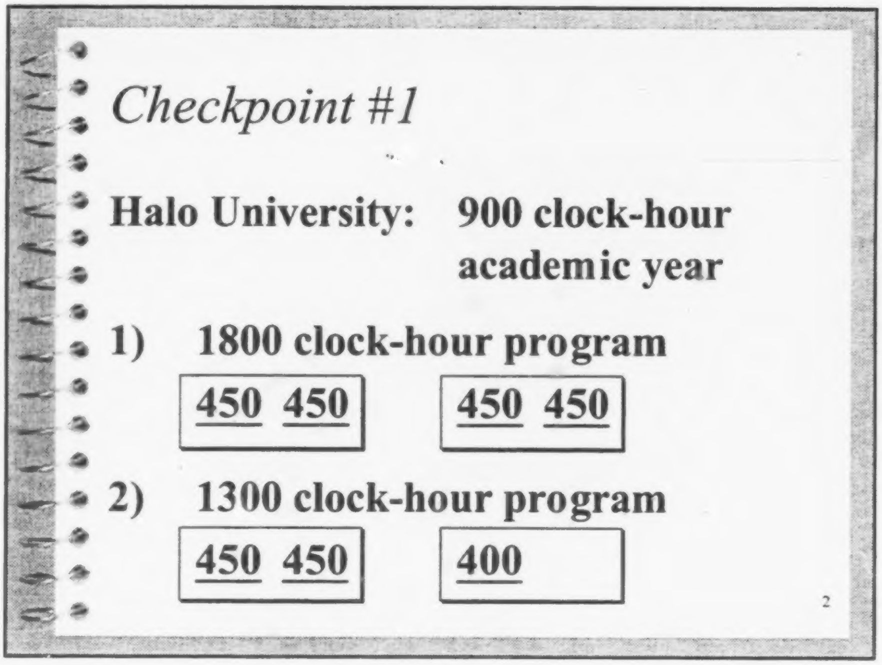
Cash Management



Payment Periods - Term Based

Each term is a payment period

- ✓ **Standard:** **semesters, trimesters, quarters**
- ✓ **Nonstandard:** **any other term**



Checkpoint #1

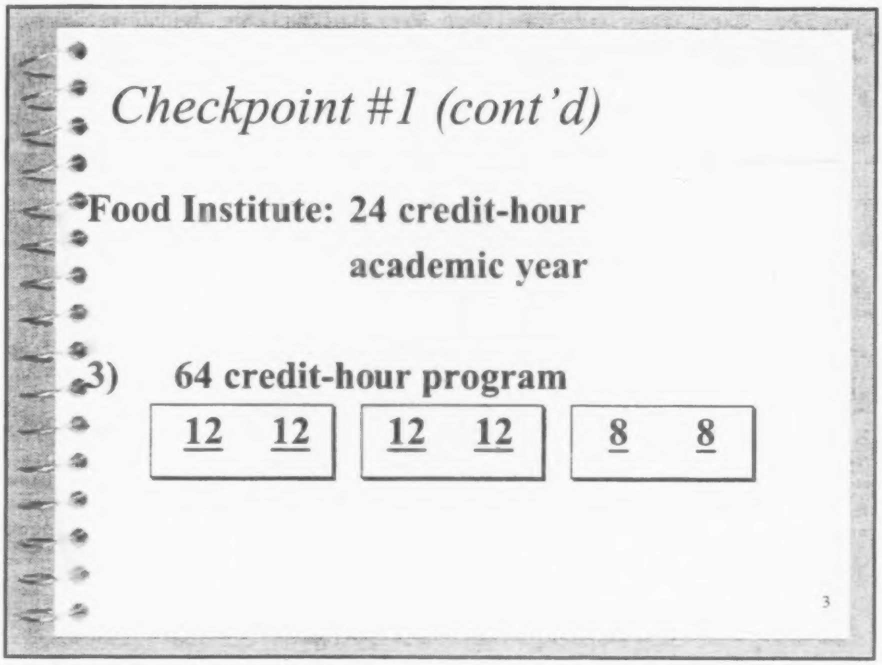
Halo University: 900 clock-hour academic year

1) **1800 clock-hour program**

450 450 | **450 450**

2) **1300 clock-hour program**

450 450 | **400**

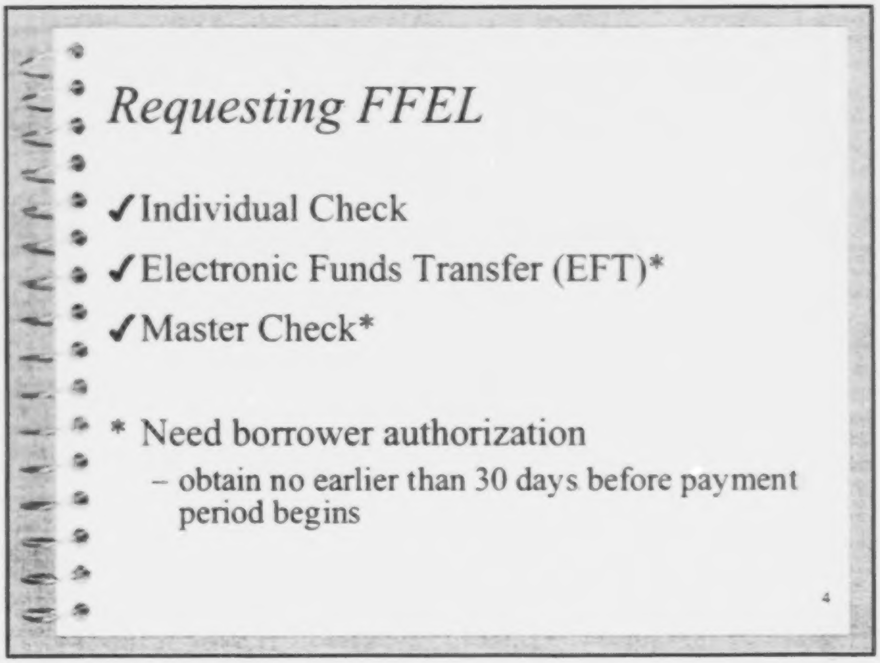


Checkpoint #1 (cont'd)

Food Institute: 24 credit-hour academic year

3) **64 credit-hour program**

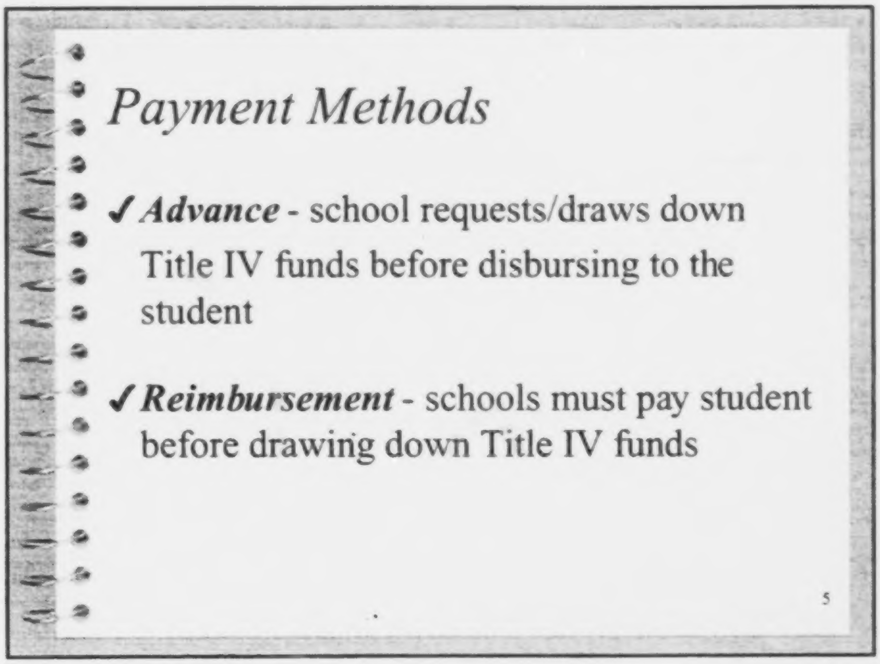
12 12 | **12 12** | **8 8**



Requesting FFEL

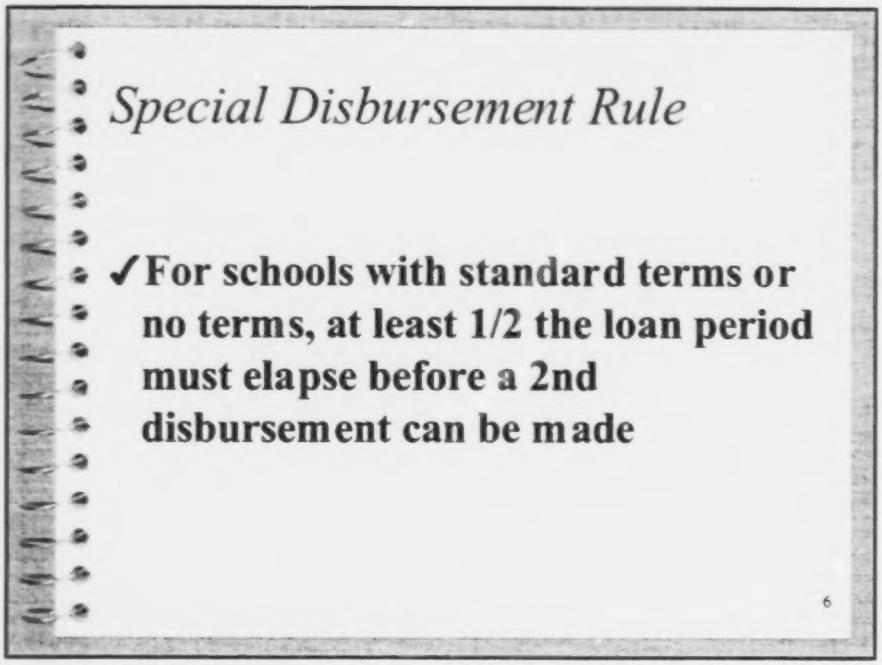
- ✓ Individual Check
- ✓ Electronic Funds Transfer (EFT)*
- ✓ Master Check*

* Need borrower authorization
  - obtain no earlier than 30 days before payment period begins



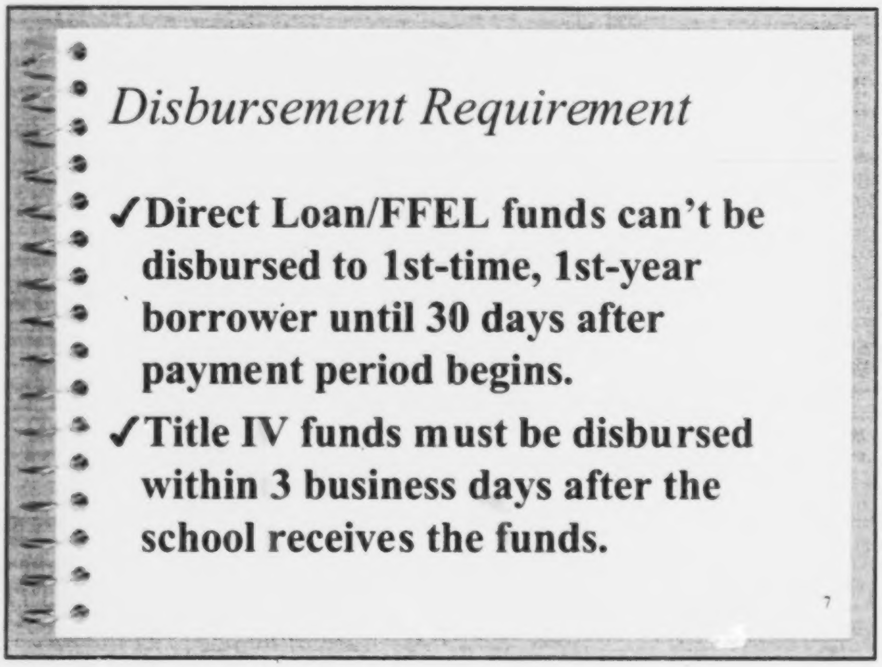
Payment Methods

- ✓ ***Advance*** - school requests/draws down Title IV funds before disbursing to the student
- ✓ ***Reimbursement*** - schools must pay student before drawing down Title IV funds



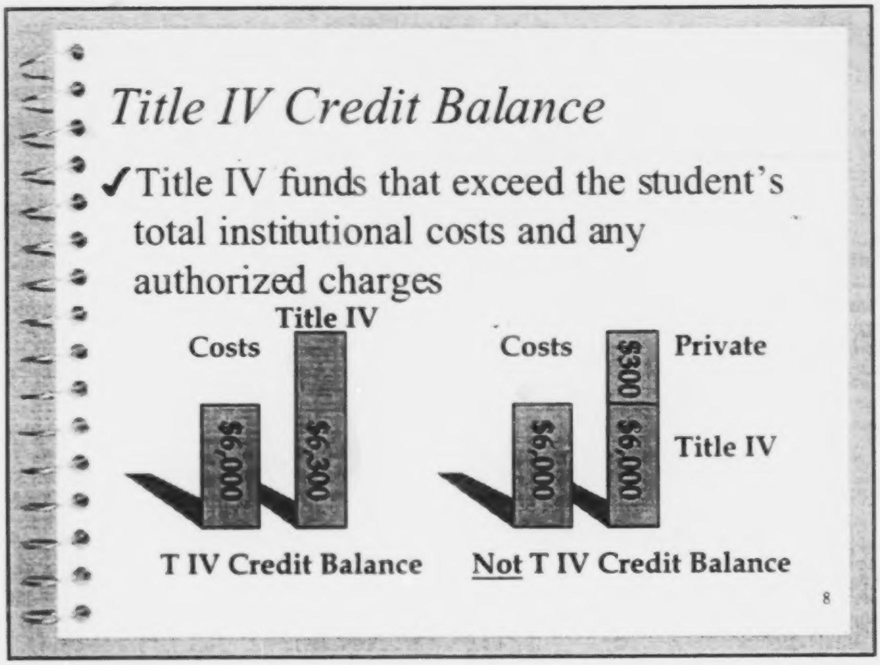
Special Disbursement Rule

- ✓ For schools with standard terms or no terms, at least 1/2 the loan period must elapse before a 2nd disbursement can be made



Disbursement Requirement

- ✓ Direct Loan/FFEL funds can't be disbursed to 1st-time, 1st-year borrower until 30 days after payment period begins.
- ✓ Title IV funds must be disbursed within 3 business days after the school receives the funds.



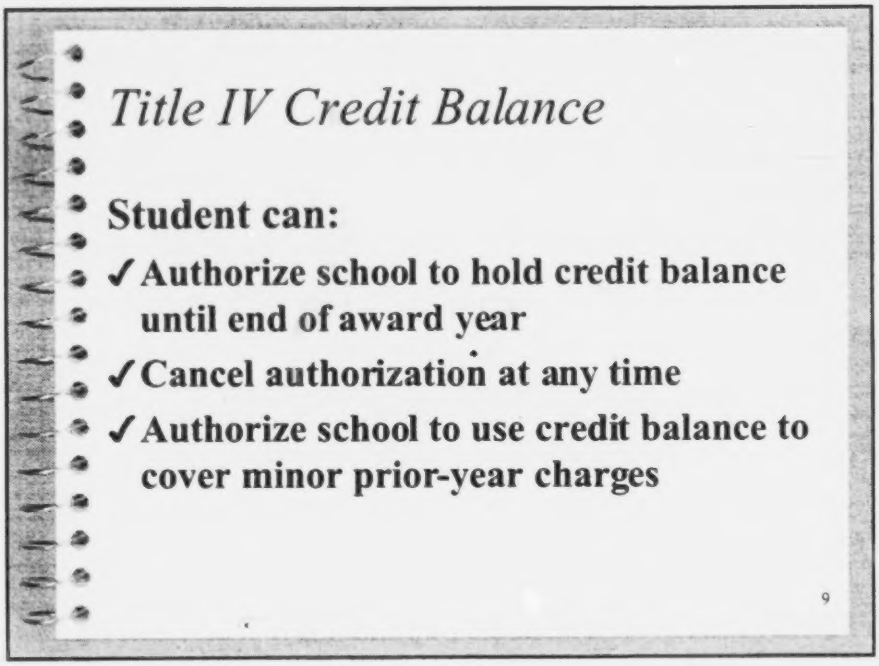
Title IV Credit Balance

✓Title IV funds that exceed the student's total institutional costs and any authorized charges

Costs
$6,000
Title IV
$6,300
Costs
$6,000
$300
Private
$6,000
Title IV

T IV Credit Balance

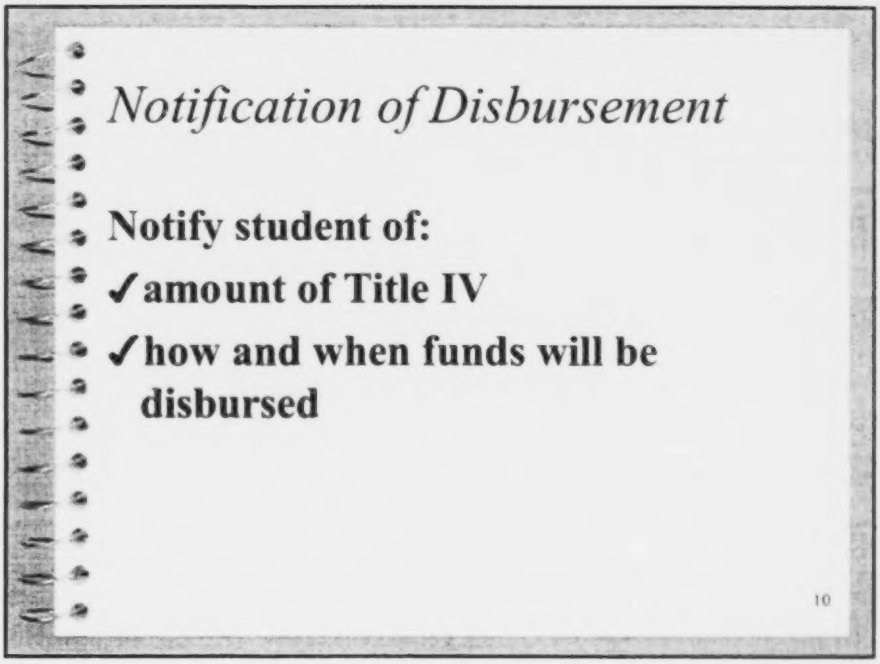
Not T IV Credit Balance



Title IV Credit Balance

Student can:

- ✓**Authorize school to hold credit balance until end of award year**
- ✓**Cancel authorization at any time**
- ✓**Authorize school to use credit balance to cover minor prior-year charges**

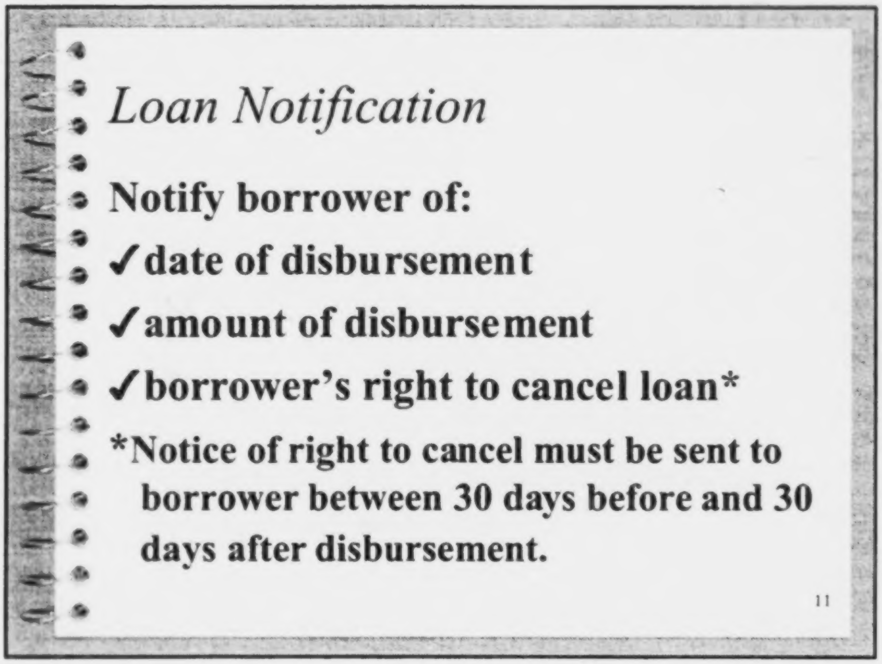


Notification of Disbursement

Notify student of:

✓amount of Title IV

✓how and when funds will be disbursed



Loan Notification

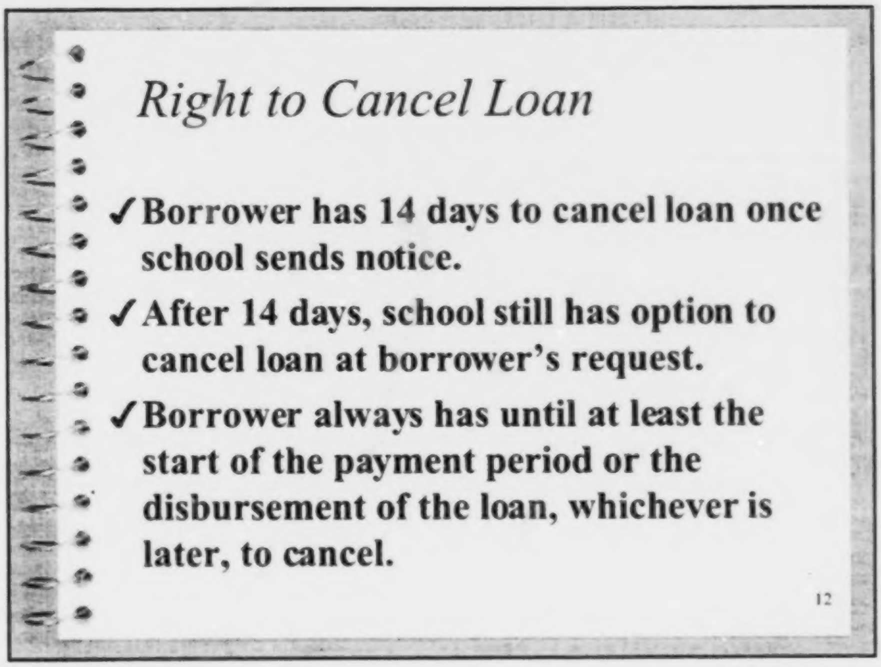
Notify borrower of:

✓date of disbursement

✓amount of disbursement

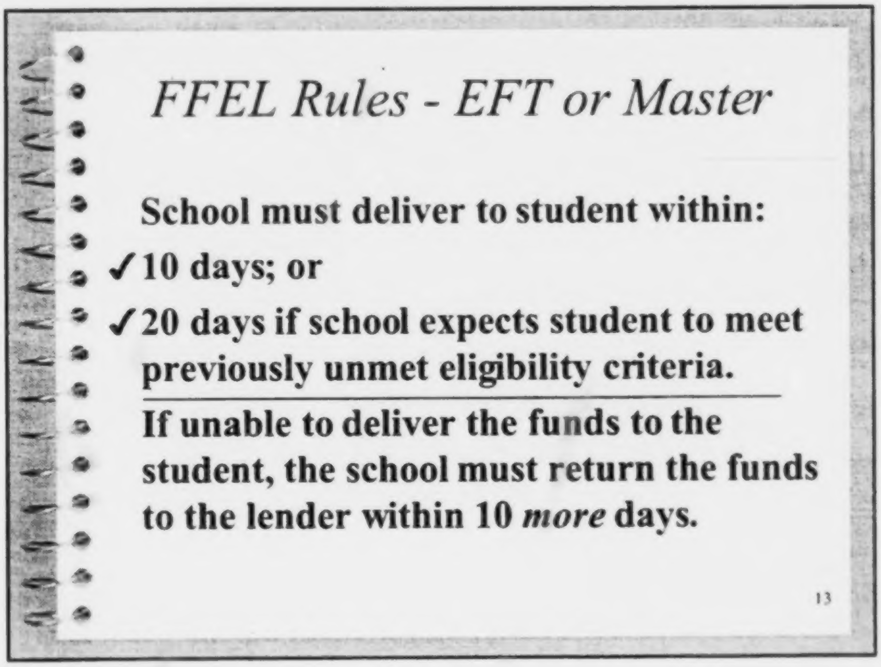
✓borrower's right to cancel loan*

***Notice of right to cancel must be sent to borrower between 30 days before and 30 days after disbursement.**



Right to Cancel Loan

- ✓ Borrower has 14 days to cancel loan once school sends notice.
- ✓ After 14 days, school still has option to cancel loan at borrower's request.
- ✓ Borrower always has until at least the start of the payment period or the disbursement of the loan, whichever is later, to cancel.

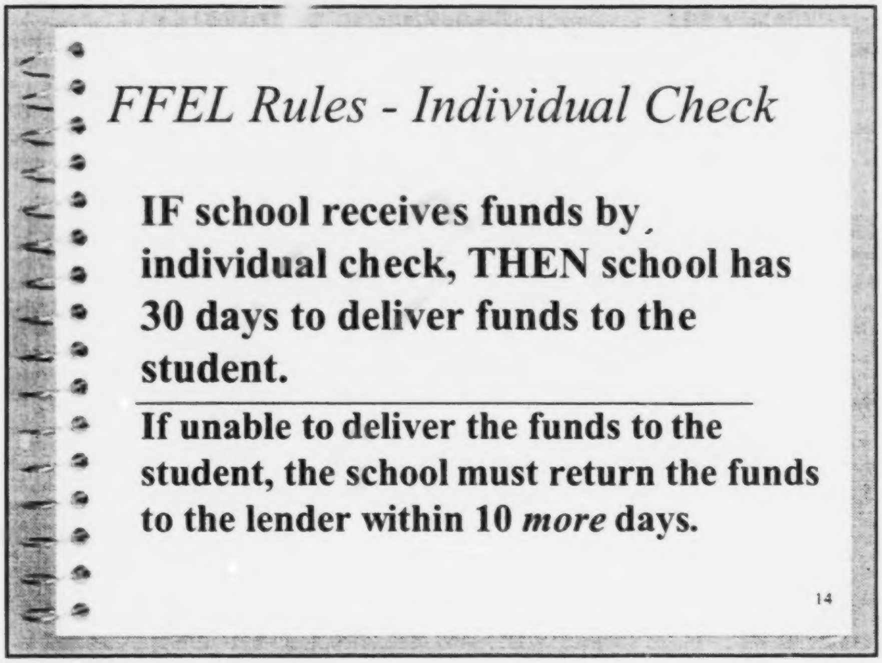


FFEL Rules - EFT or Master

School must deliver to student within:

- ✓ 10 days; or
- ✓ 20 days if school expects student to meet previously unmet eligibility criteria.

If unable to deliver the funds to the student, the school must return the funds to the lender within 10 *more* days.



FFEL Rules - Individual Check

IF school receives funds by individual check, THEN school has 30 days to deliver funds to the student.

If unable to deliver the funds to the student, the school must return the funds to the lender within 10 *more* days.

Session 6

Communicating with Students and Families

Questions we will answer during this session:

What are some ways to communicate with students at your school?

How do you handle different kinds of questions from students?

What are some ways to communicate with students at your school?

Newsletters

Contents of Newsletter

Workshops

The SAR contains…

Items to Hand Out

Financial Aid Awareness Program
(for high school students)

Where to Hold It

____
____
____
____

When to Hold It

____
____
____
____

Who Should Present

____
____
____
____

How to Publicize It

____
____
____
____

Materials

____________________ ____________________
____________________ ____________________
____________________ ____________________
____________________ ____________________

How do you handle different kinds of questions from students?

Directions:

1) Designate a note taker for your group.
2) Designate a student for your group.
3) Have everyone read the scenario.
4) Have the group act as the financial aid office, offering suggestions to the student, who can ask more questions.

Simulation #1: This is the first day of the fall semester. A freshman, Linda Kirkland, comes to the financial aid office and asks, "How do I get financial aid?" The student hasn't filed a FAFSA or completed any other applications for aid. She is carrying with her a small child. How should you advise Linda?

Simulation #2: John McKenzie is a third year medical student. He has spent the last two years out of medical school due to marital difficulties. Now John has returned to school, newly divorced, with custody of his four-year-old son. Third-year medical students are required to be "on call"in the hospital—sometimes for as long as 36 hours straight. The budget for a third-year medical student is not sufficient to allow John to pay for the extensive childcare he will need to do his hospital assignments. John's budget will somehow have to be adjusted upward to cover the childcare. John has already accumulated substantial student

(cont'd next page)

loan debt. There is a $7,500 research scholarship available in geriatrics. Although John is sure to get this award, he is not interested in this particular area or in working with the doctor in charge of the project. How would you advise John?

Simulation #3: Lori Johnson is a single mother with two children. She is interested in studying cosmetology at your school. Lori lives 25 miles from the school and does not have transportation to and from school. Transportation was a problem for Lori a couple of years before when she dropped out of a computer training school after only one month. Although Lori doesn't have a high school diploma, she has passed the ability-to-benefit test at your school. She seems to have some natural ability in cosmetology and qualifies for loans and a Pell Grant. How would you assist Lori?

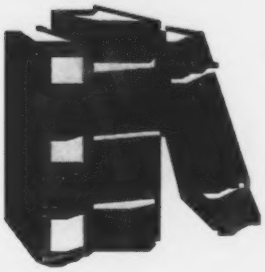
Simulation #4 : You work at a computer training school. Tu Nguyen wants to enroll. Although Tu seems very bright, you know that he will have trouble with the curriculum because he speaks very limited English. He is insisting on enrolling now even though he cannot complete any of the forms unassisted. Tu's local school district is offering free English as a Second Language classes. Tu will have a better chance of finishing the program and getting a job if he improves his English. How would you advise Tu?

Simulation #5 : Mr. and Mrs. Scott are in the financial aid office to complain about their daughter's financial aid award package. Lisa Scott is a freshman engineering student. The Scotts report that their friends, who have a son enrolled in the liberal arts program at your school, have a much lower EFC than they do although they earn about the same. They are also concerned that their daughter has been given more loans than their friend's son. How would you handle the situation with the Scotts?

Simulation #6: Allison Gray has received financial aid for the past three years. She has always lived at home with her mother. Although Allison is a dependent student, her mother's income was never sufficient to cover Allison's tuition and fees and Allison always qualified for grants, campus-based aid, and subsidized loans. Recently, Allison's mother married a man with a substantial income and Allison's financial aid package has changed completely. Additionally, Allison has been selected for verification, but cannot get her parent's tax returns because her stepfather will not provide college assistance and generally doesn't want to be involved. How would you counsel Allison?

Simulation #7: Leonard Collins is a student enrolled in your school's diesel mechanics program. While in the restroom, you overhear a conversation in which he tells another student that he never intends to repay the student loan he just received. Leonard later comes to see you to ask about his loan. What, if anything, would you do?

Simulation #8: Kiera Smith recently applied to your school and was told that her acceptance is conditional, pending successful completion of one semester of remedial courses in English and math. Kiera doesn't have the means to pay for these courses and comes to the financial aid office for advice. How would you advise Kiera?



Resources

- ★ The 1998-99 Counselor's Handbook

Session 7

Student Eligibility

__Questions we will answer during this session:__

How do I determine if a student is eligible for Title IV aid?

How do you obtain a student's financial aid history?

How do you determine if a student is eligible for Title IV?

General Student Eligibility Checklist

YES	NO	(Checked box indicates answer required for student to be eligible for Title IV.)
☑	☐	1. Is the student a U.S. citizen or eligible noncitizen? (Questions 15-16 on FAFSA and SAR).
☑	☐	2. Is the student a "regular student" enrolled or accepted for enrollment in an "eligible program" for the purpose of obtaining a degree or certificate? (Questions 23-31 on FAFSA and SAR).
☑	☐	3. Does the student meet the academic qualifications for study at the postsecondary level? (Student has a high school diploma or recognized equivalent [such as a GED] or is beyond the age of compulsory school attendance, has passed an ability-to-benefit [ATB] test, or followed a state-prescribed process.) (Questions 20 on FAFSA and SAR).
☐	☑	4. Is the student enrolled solely in remedial coursework?
☑	☐	5. Is the student maintaining satisfactory academic progress?
☐	☑	6. Is the student in default or does the student owe an overpayment on a Title IV loan or grant? (Part 1 of SAR)
☑	☐	7. Does the student have a valid Social Security number?
☑	☐	8. Has the student registered with Selective Service (if applicable)? (Question 103 on FAFSA and SAR).
☐	☑	9. Has the student borrowed in excess of loan limits? (Part 1 of SAR).
☐	☑	10. Is the student a member of a religious order, an incarcerated student, or enrolled in a correspondence course?
☑	☐	11. Does the student have financial need (except for some loan programs where need is not necessary)?
☑	☐	12. Was the student's financial aid history obtained from NSLDS or (if necessary) the school (or schools) previously attended by the student?
☑	☐	13. Has verification been completed (if required)?

Program-Specific Student Eligibility Criteria

Program	Who is Eligible?	Criteria
Federal Pell Grant	• Undergraduates only • May not have bachelor's or first professional degree	• Students must have a SAR or ISIR on file with the school • Less-than-full-time, including less-than-half-time, students are eligible ◇ Less-than-half-time students must have an EFC of 2200 or less
FSEOG	• Undergraduates only • May not have bachelor's or first professional degree	• Must be awarded first to students with exceptional financial need (that is, lowest EFCs) • Priority to students with exceptional financial need who are eligible for Federal Pell Grants
Federal Perkins Loan	• Undergraduates • Graduate students • Professional students	• Priority to students with exceptional financial need (as defined by the school) • Students must be willing to repay their loans • Must have determination of Federal Pell Grant eligibility • May not be in medical internship or residency
FWS	• Undergraduates • Graduate students • Professional students	• See comments below for "FSEOG, Federal Perkins Loan, and FWS"
FSEOG,* Federal Perkins Loan, and FWS	• Undergraduates only* • Graduate students • Professional students	• Demonstrate need according to Federal Need Analysis Methodology • Less-than-full-time students are eligible ◇ Under certain circumstances, 5% of a school's allocation of campus-based funds must be awarded to less-than-full-time students and nontraditional students
Federal Subsidized Loan and Federal Direct Subsidized Loan	• Undergraduates • Graduate students • Professional students • Students enrolled in courses prerequisite to enrollment in a degree or certificate program • Students enrolled in a teacher certification program	• Students must: ◇ Be enrolled at least half time ◇ Demonstrate financial need according to the Federal Need Analysis Methodology • Eligibility for Federal Pell Grants must be determined prior to certifying loan applications and, if eligible, students must apply for Federal Pell Grants
Federal Unsubsidized Loan and Federal Direct Unsubsidized Loan	• See Federal Unsubsidized Loan and Federal Direct Subsidized Loan	• Students do not have to demonstrate financial need • Student eligibility for Federal Pell Grant and Federal Unsubsidized or Federal Direct Subsidized must be determined • Students must apply for Federal Subsidized or Federal Direct Subsidized first; EFA includes subsidized loan amount for which students are eligible • Students must be enrolled at least half time
Federal PLUS Loan and Federal Direct PLUS Loan	• Parents of eligible dependent undergraduate students	• Students for whom parents borrow must be eligible, regular students enrolled at least half time • Parents must: ◇ Meet same citizenship requirements as an eligible student ◇ Not be in default on a Title IV loan ◇ Not owe an overpayment on a Title IV grant or loan ◇ Not have an adverse credit history

How do you obtain a student's financial aid history?

The National Student Loan Data System (NSLDS)

NSLDS contains:

- Information on SFA loans
- Payment information for Pell
- Overpayment information for FSEOG, Pell, and Perkins

Rules Surrounding Financial Aid Transcripts

* If you are waiting for a paper FAT, you have the option of making a first disbursement of Pell or campus-based.

  - if you do this, must have proof that you requested the FAT

* Until FAT received, no student loan or PLUS loan disbursements

Four students have applied for federal financial aid. Each student has a different educational goal and wishes to attend a specific school. Determine each student's eligibility.

Case Study

Student 1—Justin

Justin Case is a 21-year-old student enrolled in Foster Business College (FBC). Justin was born and raised in Guam, and he has spent the past 3 1/2 years working periodically on construction jobs. He now wants to take a six-month, 600-clock-hour course in computerized information management at FBC to obtain a professional certificate.

As Justin never finished high school, he took FBC's aptitude test (approved by ED) and scored a passing grade of 78. Justin received a Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC). Justin indicates that he is not required to register with the Selective Service, as he is a conscientious objector. Justin was selected for verification, and he has promised the aid administrator that he will bring in the appropriate tax documents once his mother sends them to him.

Justin's Questions:

1. **Am I eligible to receive Title IV financial aid at FBC?**

2. **If not, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid?**

Student 2—Kay C.

Kay C. Fudd is a 17-year-old high school graduate from Springfield, IA , where she was born and raised.

State University, where she plans to attend, informs her that she needs to take a few remedial courses before she can enroll in their program. So, Kay enrolls at Dunn Community College for the summer term to take the remedial courses.

Kay C.'s Questions:

1. **Am I eligible to receive Title IV financial aid at your school, Dunn Community College?**

2. **If not, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid?**

Student 3—Elena

Elena Del Castillo is self-supporting 25-year-old student who is enrolled at Tower Community College (TCC) for the current award year. She is starting the second year of her occupational therapy course, which is a two-year degree program.

Elena was born in Puerto Rico and graduated from Notre Dame High School in Caguas, Puerto Rico. She attended Hall Technical Institute (HTI) for one year before coming to TCC. According to a written certification from HTI, she did not receive any Title IV aid there.

The financial aid administrator checks Elena's previous spring-semester academic transcript and finds that she has completed 38 credits with a GPA of 2.8, which surpasses the school's satisfactory academic progress standards. Elena's Expected Family Contribution (EFC) is less than the cost of attendance (COA) for her program. She is not eligible for the Federal Pell Grant Program. Elena was not selected for verification.

Elena's Questions:

1. **Am I eligible to receive Title IV financial at TCC?**

2. **If not, which student eligibility criteria did I not meet and what can I do, if anything, to become eligible for Title IV financial?**

Student 4—Jacques

Jacques Bertrand is a 27-year-old student enrolled at the World Language Institute (WLI). He is in a conversational English course for 3 credits that he's taking to better communicate with customers in his current job.

Jacques and his family came to the U. S. in 1991 from France. Jacques has received his Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC) and has delivered it to the financial aid administrator. His SAR indicates that the Central Processing System (CPS) did not confirm him to be an eligible noncitizen, and WLI is in the process of further reviewing his citizenship status. His SAR also shows that he was selected for verification, and Jacques delivered all appropriate documents to verify the information reported on his application for financial aid.

Jacques' Questions:

1. **Am I eligible to receive Title IV financial aid at WLI?**

2. **If not, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid?**

Answer Key

Case Study:

Justin

He is NOT eligible because:

#8 - he is not registered with the Selective Service, and

#13 – verification was not yet completed

Kay C

She is NOT eligible because:

#2 – she is not enrolled as a regular student in an eligible program

Elena

She IS eligible.

Jacques

He is NOT eligible because:

#1 – he has not documented his citizenship status

#2 – he is not enrolled for the purpose of obtaining a degree or certificate

Resources

- ★ The 1998-99 Federal Student Financial Aid Handbook, Chapter 2
- ★ 34 CFR 668.32, 33 and Subpart E

Session 7

Student Eligibility

Citizenship Status

- **U.S. citizen or national**
- **Permanent resident**
- **Pacific Island resident**
- **Eligible noncitizen**

Eligible Student

Must be a REGULAR STUDENT in an ELIGIBLE PROGRAM.

Academic Qualifications

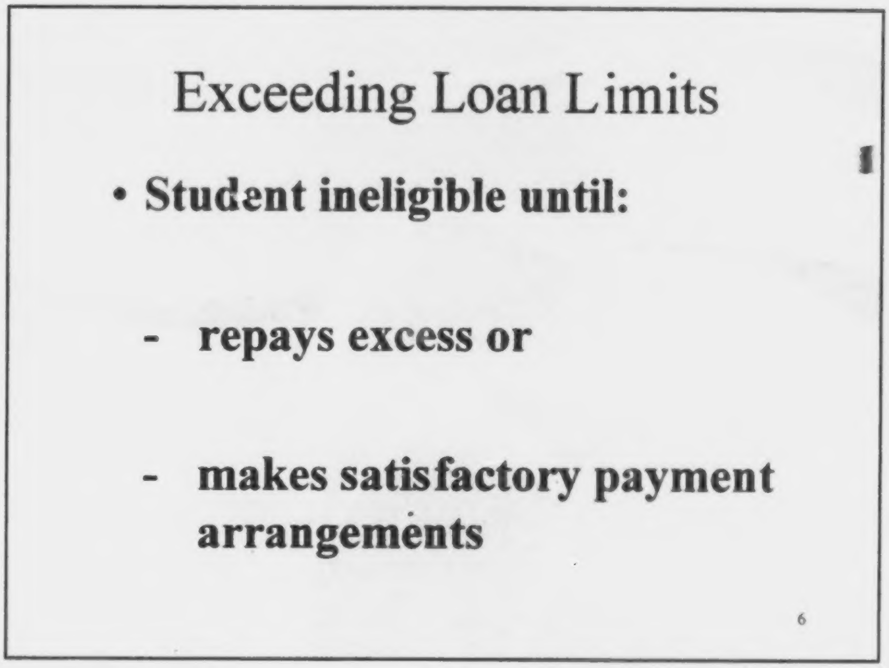
- **Have diploma or GED; or**
- **Pass ability-to-benefit test; or**
- **Attend school with state process approved by U.S. Secretary of Education**

Remedial Coursework

- **Part of an eligible program**
- **No more than one academic year**

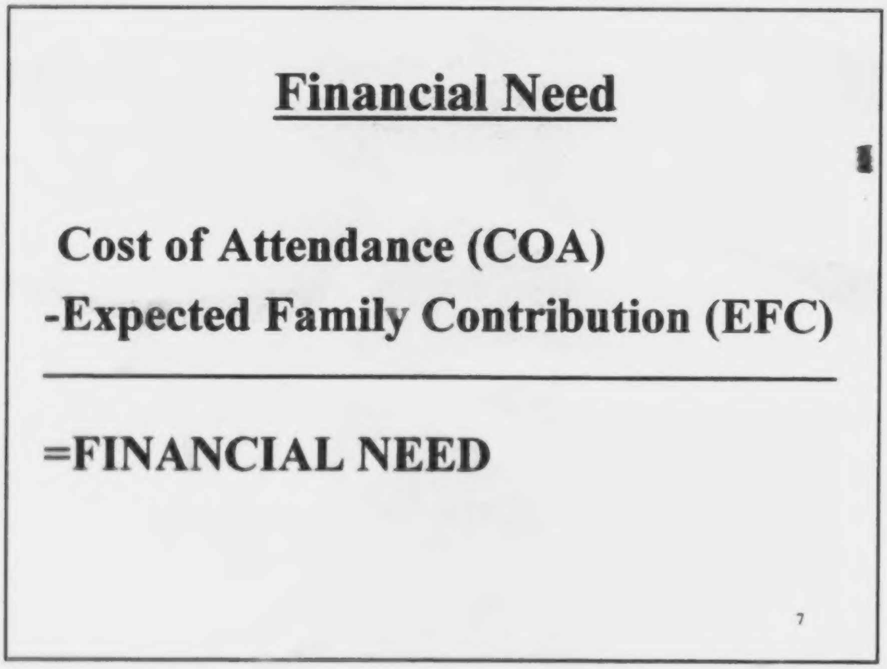
Satisfactory Academic Progress

- **Qualitative--grades**
- **Quantitative--timing**



Exceeding Loan Limits

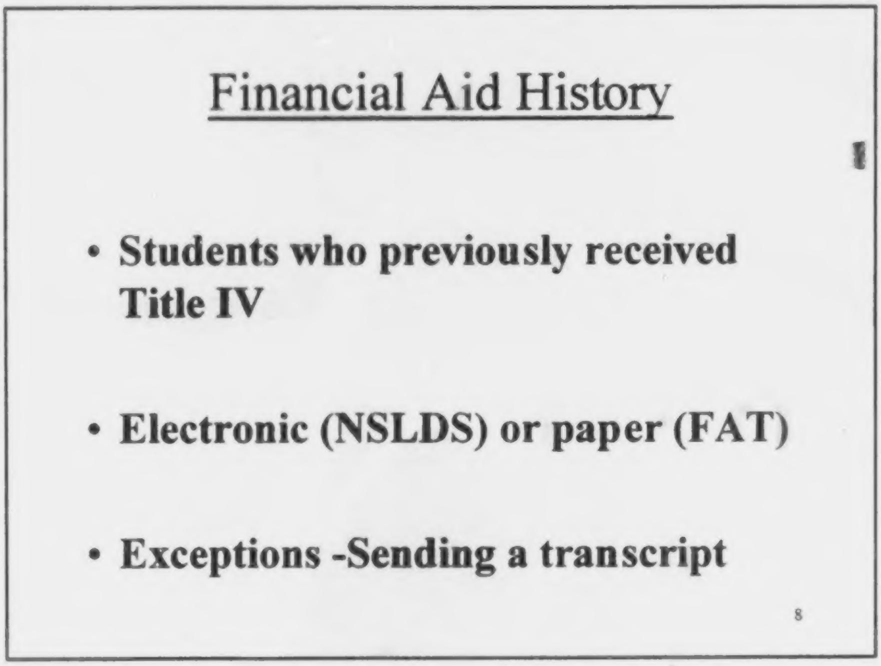
- **Student ineligible until:**
  - **repays excess or**
  - **makes satisfactory payment arrangements**



Financial Need

Cost of Attendance (COA)
-Expected Family Contribution (EFC)

=FINANCIAL NEED



Financial Aid History

- **Students who previously received Title IV**
- **Electronic (NSLDS) or paper (FAT)**
- **Exceptions -Sending a transcript**

Session 8

How Much Aid Can The Student Get?

Questions we will answer during this session:

How do you determine the amount of need a student has?

What is included in a student's Cost of Attendance (COA)?

How do you calculate a student's Expected Family Contribution (EFC)?

What is Estimated Financial Assistance (EFA)?

What information is collected on the FAFSA?

What are the different types of FAFSAs and output documents?

How do you determine the amount of need a student has?

What is included in a student's COA?

Cost of Attendance	
Components	
Tuition and Fees	• actual or average costs can be used • tution may differ for various student categories • fees may include: - rental or purchase of equipment, materials, & supplies required for all students in same course of study
Books and Supplies	• include if not already included as rental or purchase under tuition/fees • charges vary with programs • allowance proportional to course load and enrollment status
Transportation	• student may have allowances for commuting to school or travel between school and student's permanent residence
Personal Expenses	• examples include hygiene items (soap, shampoo, etc.), clothing, laundry, and recreation
Room and Board	• costs only for enrollment period and for individual student • student must be enrolled at least half time • law defines three categories of students: - without dependents living with parents- minimum $1,500 for 9-month academic year - without dependents living in school housing- actual or average costs - all other students- minimum $2,500 for 9-month academic year **(SEE NEXT PAGE)**

Cost of Attendance

Components	
Dependent Care	• expenses for spouse, children, elderly parents needing care and living with student • care must be necessary for student to attend school • amount may vary with number & age of dependents • time periods covered include class time, field work, internships, commuting time, and other study-related activities
Study-Abroad Expenses	• for student enrolled overseas at least half time in program approved for credit by home institution • examples of costs include airfare, passport fee, immunization
Disability-Related Expenses	• for personal assistance, transportation, equipment/supplies and special medical expenses not provided by any other source, not available free, and required for student to be able to attend • student must be enrolled at least half-time
Employment Expenses for Cooperative Education	• student must be enrolled at least half-time • examples of expenses include uniforms, tools, and equipment
Student Loan Fees	• must include if student/parent borrower receives Direct, FFEL Program, or PLUS Loan • school may use actual or average cost of loan fees • student must be enrolled at least half-time • school may include fees for conventional student loans as budget component

COA Components for Specific Student Groups

Components	Incarcerated Students*	Less-Than-Half-Time Enrollment	Correspondence Study **
Tuition and fees	Yes	Yes	Yes
Room and board	No	No	Only for required period of residential training
Books, supplies, transportation, and miscellaneous personal expenses	Only books and supplies related to course of study	Only books, supplies, and transportation	Books, supplies, and only travel related to a required period of residential training
Dependent-care expenses	No	Yes	No
Disability-related expenses	No	No	No
Study-abroad expenses	No	No	No
Employment expenses related to cooperative education programs	No	No	No
Student loan fees (Federal Direct Loan and FFEL Programs)	No	No	No

* An incarcerated student is **ineligible** to receive a student loan. Further, students incarcerated in federal or state penal institutions may not receive a Pell Grant.

**A student is eligible for federal student financial aid for correspondence courses if the courses are part of a degree program and the school meets ED's acceptance criteria for the percentage of correspondence courses taught.

128

1998-99 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1997

1. **Parents' Adjusted Gross Income (FAFSA/SAR #65)**		$23,261
2. a. **Father's income earned from work (FAFSA/SAR #67)**	$19,566	
2. b. **Mother's income earned from work (FAFSA/SAR #68)**	+ $3,695	
Total parents' income earned from work = 2.		$23,261
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		$23,261
4. Untaxed income and benefits:		
• Earned Income Credit (tax filers only) (FAFSA/SAR #68)	0	
• Social Security benefits (FAFSA/SAR #70)	+ 0	
• AFDC/ADC (FAFSA/SAR #71)	+ 0	
• Child support received (FAFSA/SAR #72)	+ 0	
• Other untaxed income (FAFSA/SAR #73)	+ 0	
Total untaxed income and benefits = 4.		0
5. Taxable and untaxed income (sum of lines 3 and 4)		$23,261
6. Exclusions (FAFSA/SAR #74) -		0
7. TOTAL INCOME (line 5 minus line 6) **May be a negative number.** =		$23,261

ALLOWANCES AGAINST PARENTS' INCOME

8. **1997 U.S. income tax paid (FAFSA/SAR #66) (tax filers only); if negative, enter zero.**	$69
9. **State and other tax allowance (Table A1. If negative, enter zero.)** +	$1,861
10. **Father's Social Security tax (Table A2)** +	$1,497
11. **Mother's Social Security tax (Table A2)** +	$283
12. **Income protection allowance (Table A3)** +	$23,490
13. **Employment expense allowance:** • **Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less.** • **One parent families: 35% of earned income, or $2,800, whichever is less** • **Two-parent families, one working parent: 0** +	$1,293
14. TOTAL ALLOWANCES =	$28,493

AVAILABLE INCOME

Total income **(from line 7)**	$23,261
Total allowances **(from line 14)** -	$28,493
15. AVAILABLE INCOME (AI) **May be a negative number.** =	- $5,232

* **STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1997 IRS Form 1040A or 1040EZ (they are not required to file a 1997 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.**

PARENTS' CONTRIBUTION FROM ASSETS

16. **Cash, savings, & checking (FAFSA/SAR #83)**		
17. **Other real estate & investments value ** (FAFSA/SAR #84)**		
Other real estate & investments debt ** (FAFSA/SAR #85)	-	
Net worth of real estate & investments If negative, enter zero. = 17.		
18. **Business value ** (FAFSA/SAR #86)**		
Business debt ** (FAFSA/SAR #87)	-	
Net worth of business If negative, enter zero = 18.		
19. **Investment farm value ** (FAFSA/SAR #88)**		
Investment farm debt ** (FAFSA/SAR #89)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.		
20. **Net worth of business/farm (sum of lines 18 and 19)** 20.		
21. **Adjusted net worth of business/farm (Calculate using Table A4.)** +		
22. Net worth **(sum of lines 16, 17, and 21)**		=
23. **Education savings and asset protection allowance (Table A5)** -		
24. Discretionary net worth **(line 22 minus line 23)** =		
25. **Asset conversion rate** X		.12
26. CONTRIBUTION FROM ASSETS **If negative, enter zero.** =		

PARENTS' CONTRIBUTION

Available income (AI) **(from line 15)**	- $5,232
Contribution from assets **(from line 26)** +	
27. Adjusted available income (AAI) **May be a negative number.** =	- $5,232
28. Total parents' contribution from AAI **(Calculate using Table A6; if negative, enter zero.)**	0
29. Number in college in 1998-99 **(FAFSA/SAR #50)** ÷	2
30. PARENTS' CONTRIBUTION **(standard contribution for 9-month enrollment)**	0

** Do not include the family's home.

continued on reverse

129

SIMPLIFIED
WORKSHEET
Page 2

A

STUDENT'S INCOME IN 1997		
31. **Adjusted Gross Income (FAFSA/SAR #53)**		0
32. **Income earned from work (FAFSA/SAR #55)**		0
33. **Taxable Income** (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		▨ 0
34. **Untaxed income and benefits:**		▨
• **Social Security benefits (FAFSA/SAR #58)**	0	▨
• **Other untaxed income (FAFSA/SAR #61)**	+ 0	▨
Total untaxed income and benefits 34.	=	0
35. **Taxable and untaxed income** (sum of line 33 and line 34)		0
36. **Exclusions (FAFSA/SAR #62)**	-	0
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	0

ALLOWANCES AGAINST STUDENT INCOME		
38. **1997 U.S. income tax paid (FAFSA/SAR #54) (tax filers only); if negative, enter zero.**		0
39. **State and other tax allowance** (Table A7. If negative, enter zero.)	+	0
40. **Social Security tax allowance (Table A2)**	+	0
41. **Income protection allowance**	+	2,200
42. TOTAL ALLOWANCES	=	$2,200

STUDENT CONTRIBUTION FROM INCOME		
Total income **(from line 37)**		0
Total allowances **(from line 42)**	-	$2,200
43. Available income (AI)	=	-$2,200
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	0

STUDENT CONTRIBUTION FROM ASSETS		
46. **Cash, savings, & checking (FAFSA/SAR #75)**		
47. **Other real estate & investments value * (FAFSA/SAR #76)**	______	▨
Other real estate & investments debt * (FAFSA/SAR #77)	- ______	▨
Net worth of real estate & investments If negative, enter zero.	= 47.	
48. **Business value * (FAFSA/SAR #78)**	______	▨
Business debt * (FAFSA/SAR #79)	- ______	▨
Net worth of business If negative, enter zero	= 48.	
49. **Investment farm value * (FAFSA/SAR #80)**	______	▨
Investment farm debt * (FAFSA/SAR #81)	- ______	▨
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 49.	
50. Net worth **(sum of lines 46 through 49)**	=	
51. **Assessment rate**	X	.35
52. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION **(from line 30)**		0
STUDENT CONTRIBUTION FROM AI **(from line 45)**	+	0
STUDENT CONTRIBUTION FROM ASSETS **(from line 52)**	+	
53. EXPECTED FAMILY CONTRIBUTION	=	0

- Do not include the student's home.

Disbursements and EFC

Types of EFC	Pell Grant	Campus-Based Programs	FFEL/Direct Loans
Estimated EFC	No disbursements	No disbursements	PLUS disbursements only
Official EFC	Make disbursements	Make disbursements	Make disbursements
School-Recalculated EFC	• 1st payment only if student selected for verification by either CPS or the school • No subsequent payments until official EFC received	• Disbursements okay • Reprocessing by CPS optional • School liable	• Disbursements okay • Reprocessing by CPS optional • School liable

What is Estimated Financial Assistance (EFA)?

Main equation:

COA – EFC = Need

New equation, once school begins to award aid:

COA – EFC - EFA = Need

Equation for awarding non-need based aid:

COA – EFA = Need

✓ Checkpoint #1: Calculating Need

Susan is a dependent student who attends a college that costs **$6,000** per year. Her EFC is **500**. She has been awarded an academic scholarship by a civic group for **$1,500**, and she qualifies for a **$2,550** Federal Pell Grant and a **$1,450** FSEOG.

- What is Susan's original level of need (prior to any aid)?

  ______ - ______ = _______

- What is Susan's EFA?

  ______ + _______ + _______ = _______

- What is Susan's new need equation, including EFC and EFA?

  ______ - _______ - _______ = _______

Packaging: Federal Requirements

School must have written, published procedures.

When student eligible for Pell, Pell *must* be considered first.

Outside awards *must* be included in the aid package before any other federal aid programs beyond Pell are considered.

The combination of financial aid awards plus all other estimated financial assistance must not exceed student's financial need.

The combination of student aid and EFC must not exceed the student's COA.

If financial aid from another source becomes available after the package is constructed, financial aid awards must be reduced so the total amount does not exceed COA.

Packaging Models

Model	Order of Packaging	Special Notes
Ladder	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* attempt to meet all student need without resorting to loans or FWS
Self-Help	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid (if needed)	* attempt to promote self-help as primary means of meeting need
Absolute Equity	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid equal for all students
Fixed Percentage Equity**	1) Pell 2) External/private 3) Gift aid* 4) Self-help aid	* maximum dollar amount of gift aid based on percentage of each student's COA
Individual Basis	1) Pell 2) Varies by student	
First-Come, First-Served	1) Pell 2) External/private 3) Self-help aid* 4) Gift aid*	* student funded to the maximum need from all sources until funds are exhausted
Special Groups	1) Pell 2) Varies by groups of students*	* for example, athletes on partial scholarships

**Once the COA is multiplied by the school's equity percentage, the Pell Grant and any outside aid must be subtracted before gift aid is determined.

134

Checkpoint #2: Packaging

1) Why would first-come, first-served not be used at a school awarding FSEOG?

2) What model might allow a student living at school a higher maximum FSEOG than a student living at home?

3) Which three models treat all students equally, regardless of Cost of Attendance?

What information is collected on the FAFSA?

Tony comes into your office, FAFSA in hand, confused on how to answer several questions. You agree to help him, section by section.

Section A:

Tony's Question: Why do numbers 21 and 22 ask for my parents' education information? Will that affect my eligibility for financial aid?

Your Answer:____

____

____

Section B:

Tony's Question: I don't think I want to borrow any money. I expect to get enough grant and scholarship money to pay for my whole education. What should I do for numbers 32-34?

Your Answer: ____

____

____

Section C:

Tony's Question: I have a friend with a baby daughter. My friend doesn't live with his daughter and the mother, but he sends her a check each month. How would he answer number 43?

Your Answer: ____

____

Section D:

Tony's Question: My sister does not live at home anymore. My parents send her enough money for everything – rent, food, you name it. They wanted me to ask you about number 49. Should they include my sister as part of the household?

Your Answer: ____

____

____

Section E:

Tony's Question: My girlfriend lives with her aunt. Her aunt doesn't charge her any rent, and covers all her expenses. Should my girlfriend put her aunt's income information in Section E?

Your Answer: ________

Tony: What if she moves in with me? Should she put my income?

Your Answer: ________

Section F:

Tony's Question: My parents own a home worth $150,000. Should they include this amount as part of their assets?

Your Answer: ________

Tony: What about a house they rent out to some people? Do they include the value of *that* house?

Your Answer: ________

Sections G & H:

Tony's Question: I'm not sure if I want to go to this school or not. If I list your school, but decide later to attend another school instead, how can I change what I put on this list?

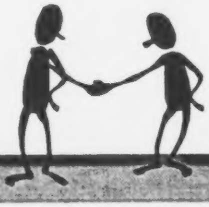
Your Answer: ____

____

____

Tony: Now, you need to sign as a preparer in Section H, right?

Your Answer: ________



*F*ree *A*pplication *for F*ederal *S*tudent *A*id

1998–99 School Year

WARNING: If you purposely give false or misleading information on this form, you may be fined $10,000, sent to prison, or both.

"You" and "your" on this form always mean the student who wants aid.

Form Approved
OMB No. 1840-0110
App. Exp. 6/30/99

U.S. Department of Education
Student Financial
Assistance Programs

Use black ink or #2 pencil. Make capital letters and numbers clear and legible. EXM96 *Fill in ovals completely. Only one oval per question.* Correct ● *Incorrect marks may cause errors.* Incorrect ☒ ✓

Section A: You (the student)

1–3. Your name
1. Last name: JACKSON
2. First name: CHRIS
3. M.I.: B

Your title (optional): Mr. ○ 1 Miss, Mrs., or Ms. ● 2

4–7. Your permanent mailing address (All mail will be sent to this address. See Instructions, page 2 for state/country abbreviations.)
4. Number and street (Include apt. no.): 2912 BLUEFIELD COURT
5. City: ROCKVILLE
6. State: MD
7. ZIP code: 20906

8. Your social security number (SSN) (Don't leave blank. See Instructions, page 2.)

9. Your date of birth: Month 02 Day 10 Year 1998

10. Your permanent home telephone number: Area code 301 111 0000

11. Your state of legal residence: State MD

12. Date you became a legal resident of the state in question 11 (See Instructions, page 2.): Month 10 Year 1993

13. Your driver's license number (If you don't have a license, write in "None.")
License number: NONE

14. State that issued your driver's license. State

15–16. Are you a U.S. citizen? (See Instructions, pages 2–3.)
Yes, I am a U.S. citizen. ● 1
No, but I am an eligible noncitizen. ○ 2
A
No, neither of the above. ○ 3

17. As of today, are you married? *(Fill in only one oval.)*
I am not married. (I am single, widowed, or divorced.) ● 1
I am married. ○ 2
I am separated from my spouse. ○ 3

18. Date you were married, separated, divorced, or widowed. If divorced, use date of divorce or separation, whichever is earlier. *(If never married, leave blank.)* Month Year 19

19. Will you have your first bachelor's degree before July 1, 1998? (See Instructions, page 3.) Yes ● 1 No ○ 2

20. Will you have received a high school diploma or earned a GED before the first date of your enrollment in college? Yes ● 1 No ○ 2

21. Highest educational level your father completed.
elementary school (K–8) ○ 1
high school (9–12) ● 2
college or beyond ○ 3
unknown ○ 4

22. Highest educational level your mother completed.
elementary school (K–8) ○ 1
high school (9–12) ● 2
college or beyond ○ 3
unknown ○ 4

If you (and your family) have **unusual circumstances**, complete this form and then check with your financial aid administrator. Examples:
- tuition expenses at an elementary or secondary school,
- unusual medical or dental expenses not covered by insurance,
- a family member who recently became unemployed, or
- other unusual circumstances such as changes in income or assets that might affect your eligibility for student financial aid.

Section B: Your Plans *Answer these questions about your college plans.*

23–27. Your expected enrollment status for the 1998–99 school year *(See Instructions, page 3.)*

School term	Full time	3/4 time	1/2 time	Less than 1/2 time	Not enrolled
23. Summer term '98	○ 1	○ 2	○ 3	○ 4	○ 5
24. Fall semester/qtr. '98	○ 1	○ 2	○ 3	○ 4	○ 5
25. Winter quarter '98-99	○ 1	○ 2	○ 3	○ 4	○ 5
26. Spring semester/qtr. '99	○ 1	○ 2	○ 3	○ 4	○ 5
27. Summer term '99	○ 1	○ 2	○ 3	○ 4	○ 5

28. Your course of study *(See Instructions for code, page 3.)* Code ☐

29. College degree/certificate you expect to receive *(See Instructions for code, page 3.)* ☐

30. Date you expect to receive your degree/certificate Month Year ☐

31. Your grade level during the 1998–99 school year *(Fill in only one.)*

1st yr./never attended college	○ 1	5th year/other undergraduate	○ 6
1st yr./attended college before	○ 2	1st year graduate/professional	○ 7
2nd year/sophomore	○ 3	2nd year graduate/professional	○ 8
3rd year/junior	○ 4	3rd year graduate/professional	○ 9
4th year/senior	○ 5	Beyond 3rd year graduate/professional	○ 10

32–34. In addition to grants, what other types of financial aid are you (and your parents) interested in? *(See Instructions, page 3.)*

32. Student employment Yes ○ 1 No ○ 2
33. Student loans Yes ○ 1 No ○ 2
34. Parent loans for students Yes ○ 1 No ○ 2

35. If you are (or were) in college, do you plan to attend **that same college** in 1998–99? *(If this doesn't apply to you, leave blank.)* Yes ○ 1 No ○ 2

36–37. Veterans education benefits you expect to receive from July 1, 1998 through June 30, 1999

36. Amount per month $ .00
37. Number of months ☐

Section C: Student Status

38. Were you born **before** January 1, 1975? .... Yes ○ 1 No ○ 2
39. Are you a veteran of the U.S. Armed Forces? .... Yes ○ 1 No ○ 2
40. Will you be enrolled in a graduate or professional program (beyond a bachelor's degree) in 1998-99? .... Yes ○ 1 No ○ 2
41. Are you married? .... Yes ○ 1 No ○ 2
42. Are you an orphan or a ward of the court, or **were** you a ward of the court until age 18? .... Yes ○ 1 No ○ 2
43. Do you have legal dependents (**other than a spouse**) that fit the definition in Instructions, page 4? .... Yes ○ 1 No ○ 2

If you answered **"Yes" to any** question in Section C, go to Section D and fill out **both the GRAY and the WHITE** areas on the rest of this form.

If you answered **"No" to every** question in Section C, go to Section D and fill out **both the BLUE and the WHITE** areas on the rest of this form.

Section D: Household Information

Remember:
At least one "Yes" answer in Section C means fill out the GRAY and WHITE areas.

All "No" answers in Section C means fill out the BLUE and WHITE areas.

STUDENT (& SPOUSE)

44. Number in your household in 1998–99 *(Include yourself and your spouse. Do not include your children and other people unless they meet the definition in Instructions, page 4.)* ☐

45. Number of college students in household in 1998–99 *(Of the number in 44, how many will be in college at least half-time in at least one term in an eligible program? Include yourself. See Instructions, page 4.)* ☐

PARENT(S)

46. Your parent(s)' **current** marital status:

single ○ 1 separated ○ 3 widowed ○ 5
married ○ 2 divorced ○ 4

47. Your parent(s)' state of legal residence State ☐

48. Date your parent(s) became legal resident(s) of the state in question 47 *(See Instructions, page 5.)* Month Year 1 9

49. Number in your parent(s)' household in 1998–99 *(Include yourself and your parents. Do not include your parent(s)' other children and other people unless they meet the definition in Instructions, page 5.)* ☐

50. Number of college students in household in 1998–99 *(Of the number in 49, how many will be in college at least half-time in at least one term in an eligible program? Include yourself. See Instructions, page 5.)* ☐

Section E: 1997 Income, Earnings, and Benefits

You must see Instructions, pages 5 and 6, for information about tax forms and tax filing status, especially if you are estimating taxes or filing electronically or by telephone. These instructions will tell you what income and benefits should be reported in this section.

Page 3

The following 1997 U.S. income tax figures are from:

	STUDENT (& SPOUSE) *Everyone must fill out this column.* 51. *(Fill in one oval.)*	PARENT(S) 63. *(Fill in one oval.)*
A—a completed 1997 IRS Form 1040A, 1040EZ, or 1040TEL	○ 1	A ● 1
B—a completed 1997 IRS Form 1040	○ 2	B ○ 2
C—an estimated 1997 IRS Form 1040A, 1040EZ, or 1040TEL	○ 3	C ○ 3
D—an estimated 1997 IRS Form 1040	○ 4	D ○ 4
E—will not file a 1997 U.S. income tax return *(Skip to question 55.)*	● 5	E *(Skip to 67.)* ○ 5

TAX FILERS ONLY

1997 Total number of exemptions (Form 1040–line 6d, or 1040A–line 6d; 1040EZ filers—*see Instructions, page 6.*)	52.		64.	06
1997 Adjusted Gross Income (AGI: Form 1040–line 32, 1040A–line 16, or 1040EZ–line 4—*see Instructions, page 6.*)	53. $	.00	65. $	23461.00
1997 U.S. income tax **paid** (Form 1040–line 46, 1040A–line 25, or 1040EZ–line 10	54. $	.00	66. $	369.00
1997 Income earned from work	(Student) 55. $	0.00	(Father) 67. $	19566.00
1997 Income earned from work	(Spouse) 56. $	0.00	(Mother) 68. $	3895.00

1997 Untaxed income and benefits (yearly totals only):

Earned Income Credit (Form 1040–line 56a, Form 1040A–line 29c, or Form 1040EZ–line 8a)	57. $	0.00	69. $	0.00
Untaxed Social Security Benefits	58. $	0.00	70. $	0.00
AFDC/ADC or TANF *(See Instructions, pages 6 and 7.)*	59. $	0.00	71. $	0.00
Child support received for all children	60. $	0.00	72. $	0.00
Other untaxed income and benefits from Worksheet #2, page 11	61. $	0.00	73. $	0.00
1997 Amount from Line 5, Worksheet #3, page 12 *(See Instructions.)*	62. $	0.00	74. $	0.00

Section F: Asset Information

ATTENTION!

Fill out Worksheet A or Worksheet B in Instructions, page 7. ***If you meet the tax filing and income conditions on Worksheets A and B, you do not have to complete Section F to apply for Federal student aid. Some states and colleges, however, require Section F information for their own aid programs. Check with your financial aid administrator and/or State Agency.***

Age of your older parent 82. 48

	STUDENT (& SPOUSE)		PARENT(S)	
Cash, savings, and checking accounts	75. $	850.00	83. $	1000.00
Other real estate and investments value *(Don't include the home.)*	76. $	0.00	84. $	0.00
Other real estate and investments debt *(Don't include the home.)*	77. $	0.00	85. $	0.00
Business value	78. $	0.00	86. $	0.00
Business debt	79. $	0.00	87. $	0.00
Investment farm value *(See Instructions, page 8.)* *(Don't include a family farm.)*	80. $	0.00	88. $	0.00
Investment farm debt *(See Instructions, page 8.)* *(Don't include a family farm.)*	81. $	0.00	89. $	0.00

140

Section G: Releases and Signatures

90–101. What college(s) do you plan to attend in 1998–99? *(Note: The colleges you list below will have access to your application information. See Instructions, page 8.)*

Housing codes 1—on-campus 2—off-campus 3—with parent(s)

	Title IV School Code	OR College Name	College Street Address and City	State		Housing Code
XX.	0 5 4 3 2 1	EXAMPLE UNIVERSITY	14930 NORTH SOMEWHERE BLVD. ANYWHERE CITY	S T	XX.	2
90.	0 9 9 9 9 9	Chesapeake State Univ.			91.	3
92.					93.	
94.					95.	
96.					97.	
98.					99.	
100.					101.	

102. The U.S. Department of Education will send information from this form to your state financial aid agency and the state agencies of the colleges listed above so they can consider you for state aid. Answer "No" if you **don't** want information released to the state. *(See Instructions, page 9 and "Deadlines for State Student Aid," page 10.)* .... 102. No ○

103. Males not yet registered for Selective Service (SS): Do you want SS to register you? *(See Instructions, page 9.)* .... 103. Yes ○

104–105. Read, Sign, and Date Below

By signing below, you certify that all the information on this form is true and complete to the best of your knowledge. If asked, you agree to give proof of the information, which may include a copy of your U.S. or state income tax form. If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both. You also certify that:

- you will use any federal student aid funds received during the award year covered by this application solely for educational expenses related to attendance during that year at the institution of higher education that determined eligibility for those funds;
- you are not in default on a Title IV educational loan, or you have repaid or made satisfactory arrangements to repay your loan if you are in default;
- you do not owe an overpayment on a Title IV educational grant, or you have made satisfactory arrangements to repay that overpayment; and
- you will notify your school if you do owe an overpayment or are in default.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given) must sign below or this form will be returned unprocessed.

104. Signatures *(Sign in the boxes below.)*

1 Student Chris B. Jackson

2 Student's Spouse

3 Father/Stepfather

4 Mother/Stepmother

105. Date completed Month Day 0 2 0 1 Year 1998 ● 1999 ○

Section H: Preparer's Use Only

For preparers other than student, spouse, and parent(s). Student, spouse, and parent(s), sign in question 104.

Preparer's name (last, first, M.I.)

Firm name

Firm or preparer's address (street, city, state, ZIP)

106. Employer identification number (EIN)

OR

107. Preparer's social security number

108. Certification: All of the information on this form is true and complete to the best of my knowledge.

Preparer's Signature Date

School Use Only

D/O ○ Title IV Code

FAA Signature

MDE Use Only *Do not write in this box* Special handle

MAKE SURE THAT YOU HAVE COMPLETED, DATED, AND SIGNED THIS APPLICATION.

Mail the original application (NOT A PHOTOCOPY) to: Federal Student Aid Programs, P.O. Box 4014, Mt. Vernon, IL 62864-8614

Checkpoint #3: Find the Mistakes

Chris Jackson submitted her application for processing, but it came back unprocessed. Find the four possible mistakes on Chris's FAFSA (which is on pages 14-17).

1. ____

2. ____

3. ____

4. ____

What are the different types of FAFSAs and output documents?

Application Processing

Paper FAFSA	FAFSA Express/ FAFSA on the Web	EDExpress
How is it completed and submitted?		
The student: • completes the paper FAFSA and • mails it in for processing	**The student:** • completes the application on a computer; • sends it to the CPS electronically; and • prints, signs, and mails the signature page (unless an independent student is using a Renewal FAFSA on the Web)	**The student:** • completes the paper FAFSA **The school official:** • enters the data electronically; • sends it to the CPS online; and • files the paper FAFSA
What are the output documents?		
The student receives a SAR, and the school receives an ISIR.	**The student receives a SAR, and the school receives an ISIR.**	**The student receives a SAR Information Acknowledgment, and the school receives an ISIR.**
How are changes made to the output documents?		
The student: • writes corrections on Part 2 of the SAR or takes corrections to the school for electronic entry, and • mails it in for processing	**The student:** • writes corrections on Part 2 of the SAR or takes corrections to the school for electronic entry, and • mails it in for processing	**The student:** • takes corrections to the school for electronic entry or • requests a paper SAR and corrects Part 2

Types Test

Circle the number of any statement that is false.

1) The CPS always produces a Student Aid Report (SAR), regardless of the type of FAFSA the student completes.

2) Students applying through EDExpress usually do not have to fill out a paper FAFSA.

3) FAFSA Express can only be completed using a PC. Macintosh users cannot apply through FAFSA Express.

4) Students using FAFSA on the Web should print out and sign a signature page.

5) Students using FAFSA Express also can complete a Renewal FAFSA using that program.

6) Schools not listed on a student's application can still access that student's ISIR without a student knowing about it.

7) Data from a student's application for federal financial aid are screened for eligibility criteria, such as citizenship, legal residence, and a valid Social Security number.

8) Except for PLUS Loans, a student cannot receive any federal financial aid without completing a FAFSA on paper, through EDExpress, using FAFSA Express, or using FAFSA on the Web.

9) Dependent students do not need to print and sign a signature page when using Renewal FAFSA on the Web.

1998-99 Student Aid Report (SAR)
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12/31/99

123-45-6789
AB-01 DRN: 9999

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report

000117C041

March 17, 1998
EFC: 00979*C

ABCDEFGHI J. ABCDEFGHIJKLMNOP
1234 ABCDEFGHIJKLMNOPQRSTUV
ABCDEFGHIJKLMNOPQ, AB 12345

BA DEG REC'D

Read this letter carefully and review each item on Part 2 of this Student Aid Report (SAR). Follow the instructions at the top of Part 2 and in the Free Application for Federal Student Aid (FAFSA) instruction booklet to help you make corrections. for additional help with your SAR, contact your Financial Aid Administrator (FAA).

If all the information on this SAR is correct, you may be eligible to receive a Federal Pell Grant and other Federal student aid in 1998-99. Your FAA will determine whether you meet all eligibility requirements to receive aid. The amount of aid will depend on the cost of attendance at your school, your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors.

HERE IS WHAT YOU NEED TO DO NOW: Review the information on Part 2. If any of the information is incorrect, follow the instructions at the top of Part 2 to make corrections. IF ALL THE INFORMATION IS CORRECT, review any financial aid materials you received from schools that you are interested in attending to see which ones require a photocopy of your SAR. Some of the schools listed do not receive information electronically. Submit the original SAR to the school where you actually enroll.

You did not tell us your state of legal residence. To calculate your eligibility for Federal student aid, we assumed that your state of legal residence is the same as your mailing state (for independent students) or your parents' state (for dependent students whose mailing state is blank). If this assumption is wrong, correct Item 11 by entering your two-character state code.

Be sure to review the items in boldface type on Part 2 of your SAR and make any corrections if necessary.

If you need help correcting your SAR, contact your FAA for assistance, or call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

1998-99 Student Aid Report (SAR)
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12/31/99

123-45-6789
AB-01 DRN: 9999

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report

(letter continued)

Records indicate that you received Federal student aid in a prior school year, but may not have registered with Selective Service as required. Your Selective Service registration status must be confirmed before you can receive any additional aid. If you are already registered, are exempt from registration, or are not required to register, contact Selective Service at 847-688-6888. Otherwise, if you have not yet reached age 26, you should register at your local post office.

FAA INFORMATION

This information will be used by your Financial Aid Administrator to determine your eligibility for student aid.

Agency Source: x
MDE Record Type: x
Record Type: x
Verification Type: xx
Verification Flag: xx
Pell Digit: x

Model: x
Duplicate Copy: x
SysGen: x
Dependency Override: x
Special Handling: x
Reprocessing Code: 99

FAA Adjustment Flag: x
Reject Reasons: 01 02 03 04 05 06 07
Application Receipt Date: mm/dd/ccyy
Transaction Receipt Date: mm/dd/ccyy
Subsequent Application Flag: x
Early Analysis Flag: x

MONTHS:	1	2	3	4	5	6	7	8	9	10	11	12
PRIMARY EFC:	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000
SECONDARY EFC:	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000

INTERMEDIATE COMPUTE VALUES:

TI: 999999999
IPA: 999999999
APA: 999999999
TSC: 999999999

ATI: 999999999
AI: 999999999
PCA: 999999999
PC: 999999999

STX: 999999999
CAI: 999999999
AAI: 999999999
SIC: 999999999

EA: 999999999
DNW: 999999999
TPC: 999999999
SCA: 999999999

STI: 999999999
FTI: 999999999

Auto Zero EFC Flag: X
SNT Flag: X
Pell Eligible Flag: X

MATCH FLAGS:

SSN Match Flag: X
INS Match Flag: X
NSLDS Match Flag: X

Selective Service Registration Flag: X
INS Verification #: 9999999999999
NSLDS Results Flag: X

Selective Service Match: X
SSA Citizenship Code: X
NSLDS Transaction Number: 01

COMMENTS: 001 002 003 004 005 006 007 008 009 010 011 012 013 014 015 016 017 018 019 020

This section contains information from your student aid application (shaded items display parents' information, if provided). Use the Information Review Form (Part 2 of your SAR) to correct this information. **Do not make corrections on this page.**

1. LAST NAME		ABCDEFGHIJKLMNOP
2. FIRST NAME		ABCDEFGHI
3. MIDDLE INITIAL		A
4. PERMANENT STREET ADDRESS		12345 ABCDEFGHIJKLMNOPQ
5. CITY		ABCDEFGHIJKLMNOPQ
6. STATE ABBREVIATION		AB
7. ZIP CODE		12345
8. SOCIAL SECURITY NUMBER		123-45-6789
9. DATE OF BIRTH		JANUARY 01, 1961
10. PERMANENT HOME PHONE NUMBER		(999) 999-9999
11. STATE OF LEGAL RESIDENCE ABBREVIATION		AB
12. DATE YOU BECAME A LEGAL RESIDENT		JANUARY 1961
13. DRIVER'S LICENSE NUMBER		A-1234-456-789-012-34
14. DRIVER'S LICENSE STATE ABBREVIATION		AB
15. CITIZENSHIP STATUS		ELIGIBLE NONCITIZEN
16. ALIEN REGISTRATION NUMBER		123456789
17. MARITAL STATUS		UNMARRIED
18. DATE OF MARITAL STATUS		JANUARY 1961
19. FIRST BACHELOR'S DEGREE BY 7-1-1998?		(BLANK)
20. HIGH SCHOOL DIPLOMA OR GED?		(BLANK)
21. FATHER'S EDUCATIONAL LEVEL		HIGH SCHOOL
22. MOTHER'S EDUCATIONAL LEVEL		HIGH SCHOOL
23. ENROLLMENT STATUS SUMMER TERM 1998		LESS THAN 1/2 TIME
24. ENROLLMENT STATUS FALL SEM/QTR 1998		LESS THAN 1/2 TIME
25. ENROLLMENT STATUS WINTER QTR 1998-99		LESS THAN 1/2 TIME
26. ENROLLMENT STATUS SPRING SEM/QTR 1999		LESS THAN 1/2 TIME
27. ENROLLMENT STATUS SUMMER TERM 1999		LESS THAN 1/2 TIME
28. COURSE OF STUDY		HOME ECONOMICS
29. TYPE OF DEGREE/CERTIFICATE		3A
30. DATE EXPECT TO RECEIVE DEGREE/CERT.		DECEMBER 2000
31. GRADE LEVEL IN COLLEGE IN 1998-99		FRESHMAN
32. INTERESTED IN STUDENT EMPLOYMENT?		(BLANK)
33. INTERESTED IN STUDENT LOANS?		(BLANK)
34. INTERESTED IN PARENT LOANS?		(BLANK)
35. ATTENDING SAME COLLEGE IN 1998-99?		(BLANK)
36. MONTHLY VA BENEFITS AMOUNT	$	(123 ASSUMED)
37. HOW MANY MONTHS RECEIVE VA BENEFITS?		00
38. BORN BEFORE 1-1-75?		(BLANK)
39. VETERAN OF U.S. ARMED FORCES?		(BLANK)
40. ENROLLED IN GRADUATE PROGRAM 1998-99?		(BLANK)
41. ARE YOU MARRIED?		(BLANK)
42. ORPHAN OR WARD OF COURT?		(BLANK)
43. HAVE DEPENDENTS OTHER THAN SPOUSE?		(BLANK)
44. NUMBER OF FAMILY MEMBERS IN 1998-99		(BLANK)
45. NUMBER IN COLLEGE IN 1998-99		(BLANK)
46. PARENT(S) MARITAL STATUS		SEPARATED
47. PARENT(S) STATE OF LEGAL RESIDENCE		AB
48. DATE PARENT(S) BECAME LEGAL RESIDENT		JANUARY 1961
49. NUMBER OF FAMILY MEMBERS IN 1998-99		(BLANK)
50. NUMBER IN COLLEGE IN 1998-99		(BLANK)
51. TYPE OF 1997 TAX FORM USED		COMPLETED 1040/EZ
52. EXEMPTIONS CLAIMED		00
53. ADJUSTED GROSS INCOME FROM IRS FORM	$	(-123,456 ASSUMED)
54. U.S. INCOME TAX PAID	$	(-12,345 ASSUMED)

55. STUDENT'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
56. SPOUSE'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
57. EARNED INCOME CREDIT	$	(-12,345 ASSUMED)
58. ANNUAL SOCIAL SECURITY BENEFITS	$	(-12,345 ASSUMED)
59. ANNUAL AFDC/ADC OR TANF	$	(-12,345 ASSUMED)
60. ANNUAL CHILD SUPPORT RECEIVED	$	(-12,345 ASSUMED)
61. OTHER UNTAXED INCOME	$	(-12,345 ASSUMED)
62. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$	(-12,345 ASSUMED)
63. TYPE OF 1997 TAX FORM USED		COMPLETED 1040/EZ
64. EXEMPTIONS CLAIMED		00
65. ADJUSTED GROSS INCOME FROM IRS FORM	$	(-123,456 ASSUMED)
66. U.S. INCOME TAX PAID	$	(-123,456 ASSUMED)
67. FATHER'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
68. MOTHER'S INCOME EARNED FROM WORK	$	(-123,456 ASSUMED)
69. EARNED INCOME CREDIT	$	(-12,345 ASSUMED)
70. ANNUAL SOCIAL SECURITY BENEFITS	$	(-12,345 ASSUMED)
71. ANNUAL AFDC/ADC OR TANF	$	(-12,345 ASSUMED)
72. ANNUAL CHILD SUPPORT RECEIVED	$	(-12,345 ASSUMED)
73. OTHER UNTAXED INCOME	$	(-12,345 ASSUMED)
74. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$	(-12,345 ASSUMED)
75. CASH, SAVINGS, AND CHECKING	$	(123,456 ASSUMED)
76. OTHER REAL ESTATE/INVESTMENT VALUE	$	(123,456 ASSUMED)
77. OTHER REAL ESTATE/INVESTMENT DEBT	$	(123,456 ASSUMED)
78. BUSINESS VALUE	$	(1,234,567 ASSUMED)
79. BUSINESS DEBT	$	(1,234,567 ASSUMED)
80. INVESTMENT FARM VALUE	$	(1,234,567 ASSUMED)
81. INVESTMENT FARM DEBT	$	(1,234,567 ASSUMED)
82. AGE OF OLDER PARENT		49
83. CASH, SAVINGS, AND CHECKING	$	(123,456 ASSUMED)
84. OTHER REAL ESTATE/INVESTMENT VALUE	$	(1,234,567 ASSUMED)
85. OTHER REAL ESTATE/INVESTMENT DEBT	$	(1,234,567 ASSUMED)
86. BUSINESS VALUE	$	(1,234,567 ASSUMED)
87. BUSINESS DEBT	$	(1,234,567 ASSUMED)
88. INVESTMENT FARM VALUE	$	(1,234,567 ASSUMED)
89. INVESTMENT FARM DEBT	$	(1,234,567 ASSUMED)
90. FIRST COLLEGE NAME		0123456789012345678901234567890123456
91. FIRST HOUSING STATUS		WITH PARENT(S)
92. SECOND COLLEGE NAME		0123456789012345678901234567890123456
93. SECOND HOUSING STATUS		WITH PARENT(S)
94. THIRD COLLEGE NAME		0123456789012345678901234567890123456
95. THIRD HOUSING STATUS		WITH PARENT(S)
96. FOURTH COLLEGE NAME		0123456789012345678901234567890123456
97. FOURTH HOUSING STATUS		WITH PARENT(S)
98. FIFTH COLLEGE NAME		0123456789012345678901234567890123456
99. FIFTH HOUSING STATUS		WITH PARENT(S)
100. SIXTH COLLEGE NAME		0123456789012345678901234567890123456
101. SIXTH HOUSING STATUS		WITH PARENT(S)
102. SHOULD DATA BE RELEASED TO STATE?		(BLANK)
103. REGISTER YOU FOR SELECTIVE SERVICE?		(BLANK)
104. SIGNED BY?		STUDENT
105. DATE COMPLETED		JANUARY 01, 1998
106. PREPARER'S EIN		REPORTED
107. PREPARER'S SOCIAL SECURITY NUMBER		REPORTED
108. PREPARER'S SIGNATURE		(BLANK)

BEST COPY AVAILABLE

HAROLD GRANTHAM
555-99-0010

1998-99 Student Aid Report (SAR)

Processed: 03-17-98

FINANCIAL AID HISTORY

This page contains your previous financial aid information, which is contained in the National Student Loan Data System (NSLDS). Your Financial Aid Administrator will use it to determine your eligibility.

```
#Overpayment:  Contact:      #Defaulted Loans: Y  #Discharged: N  #Loan Sat. Repayment: Y  #Active Bankruptcy:
 Pell:     Y   05
 FSEOG:    Y   Access NSLDS
 Perkins:  Y   12345678
--------------------------------------------------------------------------------------------------------------
#Aggregate Amount for FFELP/Direct Loans:
 Subsidized Loans:   Outstanding Principal Bal.:  $123,456  Pending Disbursements: $123,456   Total: $123,45
 Unsubsidized Loans: Outstanding Principal Bal.:  $123,456  Pending Disbursements: $123,456   Total: $123,45
 Consolidated Loans: Outstanding Principal Bal.:  $123,456                                    Total: $123,45

#Perkins Loans:
 Cumulative Loan Amount  $123,456                Current Year Loan Amount  $123,456
 First Disbursement Prior to 10/1/92: Y          Expanded Lending Option: Y
--------------------------------------------------------------------------------------------------------------
#1998-99 Pell Payment Data:
 Sch.Code:76543210  Tran:01  Sch.Amt:$2470  Disb.Amt:$1270  Rem.Amt:$   0  %Sch.Used:100.00  As of: 01/15/99
 Sch.Code:12345678  Tran:01  Sch.Amt:$2470  Disb.Amt:$1200  Rem.Amt:$   0  %Sch.Used:100.00  As of: 07/15/98
                             Access NSLDS for additional Pell data.
--------------------------------------------------------------------------------------------------------------
 Loan Detail:                                 Loan    Loan Begin  Loan End   GA   School      Contact   Conta
                                             Amount      Date       Date    Code   Code                Type

#FFEL Stafford Unsubsidized                 $    998   01/01/97   05/01/97   719  00132100       719     GA
  Status Code  DA as of 01/05/97
  Outstanding Bal. $    800 as of 02/02/97

#FFEL Stafford Subsidized                   $ 10,000   01/01/96   01/01/97   736  00132600       736     GA
  Status Code  FB as of 09/01/96
  Outstanding Bal. $  5,200 as of 02/07/96

#Direct Stafford Subsidized                 $  1,400   01/01/96   01/01/97   N/A  00132700    SV0101     DL
  Status Code  ID as of 09/06/96
  Outstanding Bal. $    913 as of 02/03/96

#Direct Consolidated Subsidized             $ 15,000   08/01/95   05/10/96   N/A  00132100    SV0101     DL
  Status Code  DL as of 12/06/96
  Outstanding Bal. $ 12,000 as of 01/01/97

#Supplemental Loan (SLS)                    $    961   01/01/95   04/01/95   701  00132600       N/A     N/
  Status Code  DX as of 05/01/96
  Outstanding Bal. $    500 as of 02/02/97

#Perkins Expanded Lending Option            $  7,000   09/02/94   06/02/95   N/A  00132100  00132100     SC
  Status Code  DU as of 06/05/96
  Outstanding Bal. $  4,400 as of 01/01/96

#FFEL Stafford Unsubsidized                 $    916   09/01/94   12/01/94   734  00132100    830906     LE
  Status Code  ID as of 09/01/94
  Outstanding Bal. $    588 as of 09/02/96

#Federal Perkins                            $  1,043   09/01/93   01/01/94   N/A  00132300  00132300     SC
  Status Code  DI as of 01/01/96
  Outstanding Bal. $    109 as of 02/01/96

#FFEL Stafford Subsidized                   $    800   01/04/93   12/01/93   620  00132800       620     GA
  Status Code  RP as of 02/01/95
  Outstanding Bal. $    700 as of 02/01/95

#Federal Perkins                            $  1,000   01/01/88   05/26/88   N/A  00132500  00132500     SC
  Status Code  DB as of 09/01/95
  Outstanding Bal. $    300 as of 02/01/96

#FFEL Stafford Non-Subsidized               $ 10,000        N/A        N/A   555  00132900        05     ED
  Status Code  DT as of 09/01/96
  Outstanding Bal. $  9,500 as of 02/01/96

#FFEL Stafford Unsubsidized                 $  1,500        N/A        N/A   555  00132700        04     ED
  Status Code  DB as of 05/01/97
  Outstanding Bal. $  4,570 as of 02/02/96
```

1998-99 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
EXP. 12/31/99

Processed: 03-21-98
EFC:
BA DEG REC'D

- Pay special attention to any items in BOLDFACE TYPE; they may need to be corrected.
- To correct any item, print the correct answer in the boxes to the right of the item in question.
- To delete a preprinted answer in the "You told us" column, draw a line completely through the answer boxes to the right of the item.
- Use the code information on the Instructions and Codes page if you need to correct items 28 and/or 29.
- If you make corrections, sign and send BOTH pages of Part 2 to the address on the last page of Part 2. Do not attach tax or any other forms.
- If you need to correct an item that contains an oval ○ completely fill in the oval as follows: ●.
  Do not ⊗ or ⊘ ovals. Erase or white-out mistakes completely.
- Print corrections neatly in answer boxes: SAMPLE | A | B | C | D | 1 | 2 | 3 |

123-45-6789
ST-01 DRN: 1234

Section A: You (the Student)

YOU TOLD US	WRITE IN ONLY NEW OR CORRECTED INFORMATION.
1. Last Name ABCDEFGHIJKLMNOP	
2. First Name ABCDEFGHI	3. Middle Initial A
4. Permanent Street Address 12345 ABCDEFGHIJKLMNOPQ	
5. City ABCDEFGHIJKLMNOPQ	
6. State Abbreviation DC	7. ZIP Code 20202
8. Social Security Number 123-45-6789	___–__–____
9. Date of Birth **AUGUST 03, 1963**	__–__–19__ Use MM-DD-CCYY format (e.g., 05-01-1979)
10. Permanent Home Phone Number (202) 555-1234	___–___–____
11. State of Legal Residence Abbreviation DC	12. Date You Became a Legal Resident AUGUST 1963 __–19__ Use MM-CCYY format (e.g., 05-1996)
13. Driver's License Number 5-123-02-456092020DC	
14. Driver's Licence State Abbreviation DC	
15. Citizenship Status **ELIGIBLE NONCITIZEN**	U.S. Citizen ○ 1 Eligible Non-Citizen ○ 2 Neither ○ 3
16. Alien Registration Number A123456789	A
17. Marital Status **UNMARRIED**	Single, Widowed or Divorced ○ 1 Married ○ 2 Separated ○ 3
18. Date of Marital Status JANUARY 1961	__–19__ Use MM-CCYY format (e.g., 05-1996)
19. First Bachelor's Degree by 7-1-1998? (BLANK)	Yes ○ 1 No ○ 2
20. High School Diploma or GED? (BLANK)	Yes ○ 1 No ○ 2
21. Father's Educational Level HIGH SCHOOL	Elementary (K-8) ○ 1 High School (9-12) ○ 2 College or beyond ○ 3 Unknown ○ 4
22. Mother's Educational Level HIGH SCHOOL	Elementary (K-8) ○ 1 High School (9-12) ○ 2 College or beyond ○ 3 Unknown ○ 4

Section B: Your Plans

YOU TOLD US	WRITE IN ONLY NEW OR CORRECTED INFORMATION.
23. Enrollment Status Summer Term 1998 LESS THAN 1/2 TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
24. Enrollment Status Fall Sem./Qtr. 1998 FULL TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
25. Enrollment Status Winter Qtr. 1998-99 NOT ENROLLED	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
26. Enrollment Status Spring Sem./Qtr. 1999 3/4 TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
27. Enrollment Status Summer Term 1999 1/2 TIME	Full time ○ 1 3/4 time ○ 2 1/2 time ○ 3 Less than 1/2 time ○ 4 Not enrolled ○ 5
28. Course of Study FINE/PERFORMING ARTS	☐☐ Enter Code from Instructions
29. Type of Degree/Certificate CERT/DIPLOMA 2 YR	☐ Enter Code from Instructions
30. Date Expect to Receive Degree/Cert. MAY 1999	☐☐ — ☐☐☐☐ Use MM-CCYY format (e.g., 05-1999)
31. Grade Level in College in 1998-99 1ST PREVIOUSLY ATTENDED	1st Never Attended ○ 1 3rd/Junior ○ 4 1st Yr. Graduate ○ 7 Beyond 3rd Yr. Graduate ○ 10 1st Previously Attended ○ 2 4th/Senior ○ 5 2nd Yr. Graduate ○ 8 2nd/Sophomore ○ 3 5th or More ○ 6 3rd Yr. Graduate ○ 9
32. Interested in Student Employment? (BLANK)	Yes ○ 1 No ○ 2
33. Interested in Student Loans? (BLANK)	Yes ○ 1 No ○ 2
34. Interested in Parent Loans? (BLANK)	Yes ○ 1 No ○ 2
35. Attending Same College in 1998-99? (BLANK)	Yes ○ 1 No ○ 2

36. Monthly VA Benefits Amount $ (BLANK)	$ ☐☐☐ .00
37. How Many Months Receive VA Benefits? (BLANK)	☐☐

Section C: Student Status

38. Born Before 1-1-1975? (BLANK)	Yes ○ 1 No ○ 2
39. Veteran of U.S. Armed Forces? (BLANK)	Yes ○ 1 No ○ 2
40. Enrolled in Graduate Program in 1998-99? (BLANK)	Yes ○ 1 No ○ 2

41. Are You Married? (BLANK)	Yes ○ 1 No ○ 2
42. Orphan or Ward of Court? (BLANK)	Yes ○ 1 No ○ 2
43. Have Dependents Other Than Spouse? (BLANK)	Yes ○ 1 No ○ 2

Section D: Household Information

STUDENT (and Spouse)

44. Number of Family Members in 1998-99 99	☐☐
45. Number in College in 1998-99 1	☐

PARENT(S)

46. Parent(s) Marital Status SEPARATED	Single ○ 1 Married ○ 2 Separated ○ 3 Divorced ○ 4 Widowed ○ 5
47. Parent(s) State of Legal Residence DC	☐☐
48. Date Parent(s) Became Legal Resident FEBRUARY 1957	☐☐ — 1 9 ☐☐ Use MM-CCYY format (e.g., 05-1979)
49. Parent(s) Number of Family Members in 1998-99 99	☐☐
50. Number of Parent(s) Family Members in College in 1998-99 1	☐

Part 2 (of your Information Review Form) is continued on the following page. Please refer t the instructions on the front of Part 2 when reviewing the rest of your information. If you make corrections, be sure to send BOTH pages of Part 2 to the address next to the Certification statement at the end of Part 2.

Section E: 1997 Income, Earnings and Benefits

Codes for Types of 1997 Tax Form Used (Items 51 and 63):
A - completed 1997 1040A, 1040EZ, or 1040TEL
B - completed 1997 1040
C - estimated 1997 1040A, 1040EZ, or 1040TEL
D - estimated 1997 1040
E - will not file 1997 U.S. Income Tax Return

STUDENT (and Spouse)

51. Type of 1997 Tax Form Used COMPLETED 1997 1040A/EZ/TEL	A ○ 1 D ○ 4 B ○ 2 E ○ 5 C ○ 3
52. Exemptions Claimed 01	☐☐
53. Adjusted Gross Income From IRS Form $ -123,456	$ .00
54. U.S. Income Tax Paid $ -123,456	$ .00
55. Student's Income Earned From Work $ -123,456	$ .00
56. Spouse's Income Earned From Work $ -123,456	$ .00
57. Earned Income Credit $ -12,345	$ .00
58. Annual Social Security Benefits $ -12,345	$ .00
59. Annual AFDC/ADC or TANF $ -12,345	$ .00
60. Annual Child Support Received $ -12,345	$ .00
61. Other Untaxed Income $ -12,345	$ .00
62. 1997 Amount From Line 5, Worksheet #3 $ -12,345	$ .00

PARENT(S)

63. Type of 1997 Tax Form Used COMPLETED 1997 1040A/EZ/TEL	A ○ 1 D ○ 4 B ○ 2 E ○ 5 C ○ 3
64. Exemptions Claimed 04	☐☐
65. Adjusted Gross Income From IRS Form $ -123,456	$ .00
66. U.S. Income Tax Paid $ -123,456	$ .00
67. Father's Income Earned From Work $ -123,456	$ .00
68. Mother's Income Earned From Work $ -123,456	$ .00
69. Earned Income Credit $ -12,345	$ .00
70. Annual Social Security Benefits $ -12,345	$ .00
71. Annual AFDC/ADC or TANF $ -12,345	$ .00
72. Annual Child Support Received $ -12,345	$ .00
73. Other Untaxed Income $ -12,345	$ .00
74. 1997 Amount From Line 5, Worksheet #3 $ -12,345	$ .00

Section F: Asset Information

STUDENT (and Spouse)

75. Cash, Savings, and Checking $ -123,456	$ .00
76. Other Real Estate/Investment Value $ -123,456	$ .00
77. Other Real Estate/Investment Debt $ -123,456	$ .00
78. Business Value $ -1,234,567	$ .00
79. Business Debt $ -1,234,567	$ .00
80. Investment Farm Value $ -1,234,567	$ .00
81. Investment Farm Debt $ -1,234,567	$ .00

PARENT(S)

82. Age of Older Parent 47	☐☐
83. Cash, Savings, and Checking $ -123,456	$ .00
84. Other Real Estate/Investment Value $ -1,234,567	$ .00
85. Other Real Estate/Investment Debt $ -1,234,567	$ .00
86. Business Value $ -1,234,567	$ .00
87. Business Debt $ -1,234,567	$ .00
88. Investment Farm Value $ -1,234,567	$ .00
89. Investment Farm Debt $ -1,234,567	$ .00

Section G:
Releases and Signatures

Housing Codes: 1 – on-Campus 2 – off-Campus 3 – with parent(s)

	NEW/CORRECTED COLLEGE NAME, CITY, STATE, ZIP	Enter Code From Above ↕
90. First College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		91. Housing Code WITH PARENT(S)
92. Second College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		93. Housing Code ON-CAMPUS
94. Third College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		95. Housing Code OFF-CAMPUS
96. Fourth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		97. Housing Code (BLANK)
98. Fifth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		99. Housing Code (BLANK)
100. Sixth College Name, City and State ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ		101. Housing Code (BLANK)
102. Should Data Be Released To State? (BLANK) ——>	Yes ○ 1 No ○ 2	
103. Register You For Selective Service? (BLANK) ——>	Yes ○ 1	
104. Signed By? STUDENT	DO NOT CORRECT	
105. Date Completed FEBRUARY 15, 1998	DO NOT CORRECT	
106. Preparer's EIN REPORTED	☐☐–☐☐☐☐☐☐☐	
107. Preparer's Social Security Number REPORTED	☐☐☐–☐☐–☐☐☐☐	
108. Preparer's Signature BLANK		

Application Reciept Date: 01/15/98

IF YOU MADE NO CHANGES

- ➻ Do NOT send your SAR to either address given on this page.
- ➻ Follow the instructions on Part 1 of your SAR. You may need to contact your school.

IF YOU MADE CHANGES

- ➻ Read and Sign the Certification statement to the right
- ➻ Send BOTH pages of Part 2 to:

IF YOU NEED ANOTHER COPY OF YOUR SAR

- ➻ Write to:

- ➻ Include your name, social security number, and signature.

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1997 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given) must sign below or this form will be returned unprocessed.

1 Student Date

2 Student's Spouse Date

3 Father/Stepfather Date

4 Mother/Stepmother Date

School Use Only EFC: 01234*C SEC. EFC:1234*C

Professional Judgment

D/O 1 ○ 2 ○ FAA EFC Adjustment ○ 1

Title IV Code ☐☐☐☐☐☐

☐ FAA Signature 1

MDE Use Only

DE ☐ Special Handle ☐ ☐☐☐☐☐☐☐☐☐

Information Acknowledgement
1998-99 Student Aid Report (SAR)
Federal Student Aid Programs

OMB No. 1840-0132
Form Approved
Exp. 12/31/99

999-99-9999
AB 99 PIN: 9999

Do not use this form to make corrections. See your Financial Aid Administrator.

000117C041

March 17, 1998

ABCDEFGHI J. ABCDEFGHIJKLMNOP
1234 ABCDEFGHIJKLMNOPQRSTUV
ABCDEFGHIJKLMNOPQ, AB 12345

EFC: 00979*C

BA DEG REC'D

We have processed the electronic Application for Federal Student Aid, Renewal Application for Federal Student Aid, or correction that you submitted through your school. On the back of this page we have printed the information we received and a summary of the results of processing that information. You should review this information and contact your Financial Aid Administrator (FAA) if any corrections need to be made. Based on the information you provided, we may have assumed certain information to calculate your eligibility for Federal student aid. We printed the assumption we made and the word "assumed" for those items on the back of this page. If these assumptions are not correct, contact your FAA to make the necessary corrections.

We have applied a formula to the information from the form you submitted. The result of this formula will be used by your school to determine your eligibility for most types of Federal student aid. See your FAA to determine what types of student aid you may be able to receive. Based on the information you gave us, you are not eligible for a Federal Pell Grant.

Your application has been selected for review in a process called verification. You must submit to your school signed copies of certain 1996 financial documents. Contact your FAA to find out which documents are required.

You must contact your FAA to determine if you meet all of the eligibility requirements to receive Federal financial aid.

This section contains information from your student aid application (shaded items display parents' information, if provided). If you need to make corrections, see your financial aid administrator.

1. LAST NAME	ABCDEFGHIJKLMNOP
2. FIRST NAME	ABCDEFGHI
3. MIDDLE INITIAL	A
4. PERMANENT STREET ADDRESS	12345 ABCDEFGHIJKLMNOPQ
5. CITY	ABCDEFGHIJKLMNOPQ
6. STATE ABBREVIATION	AB
7. ZIP CODE	12345
8. SOCIAL SECURITY NUMBER	123-45-6789
9. DATE OF BIRTH	JANUARY 01, 1961
10. PERMANENT HOME PHONE NUMBER	(999) 999-9999
11. STATE OF LEGAL RESIDENCE ABBREVIATION	AB
12. DATE YOU BECAME A LEGAL RESIDENT	JANUARY 1961
13. DRIVER'S LICENSE NUMBER	A-1234-456-789-012-34
14. DRIVER'S LICENSE STATE ABBREVIATION	AB
15. CITIZENSHIP STATUS	ELIGIBLE NONCITIZEN
16. ALIEN REGISTRATION NUMBER	123456789
17. MARITAL STATUS	UNMARRIED
18. DATE OF MARITAL STATUS	JANUARY 1961
19. FIRST BACHELOR'S DEGREE BY 7-1-1998?	(BLANK)
20. HIGH SCHOOL DIPLOMA OR GED?	(BLANK)
21. FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
22. MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
23. ENROLLMENT STATUS SUMMER TERM 1998	LESS THAN 1/2 TIME
24. ENROLLMENT STATUS FALL SEM/QTR 1998	LESS THAN 1/2 TIME
25. ENROLLMENT STATUS WINTER QTR 1998-99	LESS THAN 1/2 TIME
26. ENROLLMENT STATUS SPRING SEM/QTR 1999	LESS THAN 1/2 TIME
27. ENROLLMENT STATUS SUMMER TERM 1999	LESS THAN 1/2 TIME
28. COURSE OF STUDY	HOME ECONOMICS
29. TYPE OF DEGREE/CERTIFICATE	BA
30. DATE EXPECT TO RECEIVE DEGREE	DECEMBER 2000
31. GRADE LEVEL IN COLLEGE IN 1998-99	FRESHMAN
32. INTERESTED IN STUDENT EMPLOYMENT?	(BLANK)
33. INTERESTED IN STUDENT LOANS?	(BLANK)
34. INTERESTED IN PARENT LOANS?	(BLANK)
35. ATTENDING SAME COLLEGE IN 1998-99?	(BLANK)
36. MONTHLY VA BENEFITS AMOUNT	$ (123 ASSUMED)
37. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
38. BORN BEFORE 1-1-75?	(BLANK)
39. VETERAN OF U.S. ARMED FORCES?	(BLANK)
40. ENROLLED IN GRADUATE PROGRAM 1998-99?	(BLANK)
41. ARE YOU MARRIED?	(BLANK)
42. ORPHAN OR WARD OF COURT?	(BLANK)
43. HAVE DEPENDENTS OTHER THAN SPOUSE?	(BLANK)
44. NUMBER OF FAMILY MEMBERS IN 1998-99	(BLANK)
45. NUMBER IN COLLEGE IN 1998-99	(BLANK)
46. PARENT(S) MARITAL STATUS	SEPARATED
47. PARENT(S) STATE OF LEGAL RESIDENCE	AB
48. DATE PARENT(S) BECAME LEGAL RESIDENT	JANUARY 1961
49. NUMBER OF FAMILY MEMBERS IN 1998-99	(BLANK)
50. NUMBER IN COLLEGE IN 1998-99	(BLANK)
51. TYPE OF 1997 TAX FORM USED	COMPLETED 1040/EZ
52. EXEMPTIONS CLAIMED	00
53. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
54. U.S. INCOME TAX PAID	$ (-12,345 ASSUMED)

55. STUDENT'S INCOME EARNED FROM WORK	$ (-123.456 ASSUMED)
56. SPOUSE'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
57. EARNED INCOME CREDIT	$ (-12,345 ASSUMED)
58. ANNUAL SOCIAL SECURITY BENEFITS	$ (-12,345 ASSUMED)
59. ANNUAL AFDC/ADC OR TANF	$ (-12,345 ASSUMED)
60. ANNUAL CHILD SUPPORT RECEIVED	$ (-12,345 ASSUMED)
61. OTHER UNTAXED INCOME	$ (-12,345 ASSUMED)
62. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$ (BLANK)
63. TYPE OF 1997 TAX FORM USED	COMPLETED 1040/EZ
64. EXEMPTIONS CLAIMED	00
65. ADJUSTED GROSS INCOME FROM IRS FORM	$ (-123,456 ASSUMED)
66. U.S. INCOME TAX PAID	$ (-123,456 ASSUMED)
67. FATHER'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
68. MOTHER'S INCOME EARNED FROM WORK	$ (-123,456 ASSUMED)
69. EARNED INCOME CREDIT	$ (-12,345 ASSUMED)
70. ANNUAL SOCIAL SECURITY BENEFITS	$ (-12,345 ASSUMED)
71. ANNUAL AFDC/ADC OR TANF	$ (-12,345 ASSUMED)
72. ANNUAL CHILD SUPPORT RECEIVED	$ (-12,345 ASSUMED)
73. OTHER UNTAXED INCOME	$ (-12,345 ASSUMED)
74. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$ (-12,345 ASSUMED)
75. CASH, SAVINGS, AND CHECKING	$ (123,456 ASSUMED)
76. OTHER REAL ESTATE/INVESTMENT VALUE	$ (123,456 ASSUMED)
77. OTHER REAL ESTATE/INVESTMENT DEBT	$ (123,456 ASSUMED)
78. BUSINESS VALUE	$ (1,234,567 ASSUMED)
79. BUSINESS DEBT	$ (1,234,567 ASSUMED)
80. INVESTMENT FARM VALUE	$ (1,234,567 ASSUMED)
81. INVESTMENT FARM DEBT	$ (1,234,567 ASSUMED)
82. AGE OF OLDER PARENT	99
83. CASH, SAVINGS, AND CHECKING	$ (123,456 ASSUMED)
84. OTHER REAL ESTATE/INVESTMENT VALUE	$ (1,234,567 ASSUMED)
85. OTHER REAL ESTATE/INVESTMENT DEBT	$ (1,234,567 ASSUMED)
86. BUSINESS VALUE	$ (1,234,567 ASSUMED)
87. BUSINESS DEBT	$ (1,234,567 ASSUMED)
88. INVESTMENT FARM VALUE	$ (1,234,567 ASSUMED)
89. INVESTMENT FARM DEBT	$ (1,234,567 ASSUMED)
90. FIRST COLLEGE NAME	0123456789012345678901234567890123456
91. FIRST HOUSING STATUS	WITH PARENT(S)
92. SECOND COLLEGE NAME	0123456789012345678901234567890123456
93. SECOND HOUSING STATUS	WITH PARENT(S)
94. THIRD COLLEGE NAME	0123456789012345678901234567890123456
95. THIRD HOUSING STATUS	WITH PARENT(S)
96. FOURTH COLLEGE NAME	0123456789012345678901234567890123456
97. FOURTH HOUSING STATUS	WITH PARENT(S)
98. FIFTH COLLEGE NAME	0123456789012345678901234567890123456
99. FIFTH HOUSING STATUS	WITH PARENT(S)
100. SIXTH COLLEGE NAME	0123456789012345678901234567890123456
101. SIXTH HOUSING STATUS	WITH PARENT(S)
102. SHOULD DATA BE RELEASED TO STATE?	(BLANK)
103. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
104. SIGNED BY?	STUDENT
105. DATE COMPLETED	JANUARY 01, 1998
106. PREPARER'S EIN	REPORTED
107. PREPARER'S SOCIAL SECURITY NUMBER	REPORTED
108. PREPARER'S SIGNATURE	(BLANK)

Processing Results

Record Type: X
Verification Selection Type: XX
Application Receipt Date: mm/dd/ccyy
Transaction Process Date: mm/dd/ccyy
Transaction Receipt Date: mm/dd/ccyy
System Generated Indicator: X

Expected Family Contribution: Primary 00000
Secondary 00000
Automatic Zero EFC Flag: X
Formula Type: X
Simplified Needs Test Flag: X
FAA EFC Adjustment: X

Dependency Status Model: X
Dependency Override: X
Duplicate Request Indicator: X
Hold Code: X
Subsequent Application Flag: X
Pell Eligible Flag: X
Pell Digit X

SSN Match Flag: X
INS Match Flag: X
NSLDS Match Flag: X

Selective Service Registration Flag: X
INS Verification #: 999999999999
NSLDS Results Flag: X

Selective Service Match: X
SSA Citizenship Code: X
NSLDS Transaction Number: 99

Reject Code(s): 01 02 03 04 05 06 07
Comment Codes: 001 002 003 004 005 006 007 008 009 010

1998-99 Institutional Student Information Record

Student ID 999999999 XX 99 EFC 99999XX
Last Name XXXXXXXXXXXXXXXX

READ, SIGN, AND DATE

By signing below, you certify that all the information on this form is true and complete to the best of your knowledge. If asked, you agree to give proof of the information, which may include a copy of your U.S. or state income tax form. If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both. You also certify that:

> you will use any federal student financial aid funds received during the award year covered by this application solely for educational expenses related to attendance during that year at the institution of higher education that determined eligibility for those funds;

> you are not in default on a Title IV educational loan, or you have repaid or made satisfactory arrangements to repay your loan if you are in default;

> you do not owe an overpayment on a Title IV educational grant, or you have made satisfactory arrangement to repay that overpayment;
and

> you will notify your school if you do owe an overpayment or are in default.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parent information is given) MUST sign below.

Student ______________________________ Date: ____________

Spouse ______________________________ Date: ____________

Father
Stepfather ______________________________ Date: ____________

Mother
Stepmother ______________________________ Date: ____________

1998-99 Institutional Student Information Record

Student ID 999999999 XX 99

EFC	99999XX
	XXXXXXXXXXXX
Dependency Status	XXXXXXXXXXX

A. YOU (THE STUDENT) (Q1-Q22)

Name	XXXXXXXXX X XXXXXXXXXXXXXXXX
Title:	XXXXXXXXXXX
Address:	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXX XX 99999
Social Security Number	999-99-9999
Date of Birth	99/99/9999
Permanent Home Phone #	(999)999-9999
State of Legal Residence	XX
Date Became a Legal Res.	99/9999
Driver's Lic #	XXXXXXXXXXXXXXXXXXXX-XX
Citizenship Sts	XXXXXXXXXXXXXXXXXXX
Alien Registration Number	AXXXXXXXXX
Marital Status	XXXXXXXXX
Date of Marital Status	99/9999
First Bachelor's Degree by 7-1-98	XXX
HS Diploma/GED Received?	YES
Father's Educational Level	XXXXXXXXXX
Mother's Educational Level	XXXXXXXXXX

B. YOUR PLANS (Q23-Q37)

Enrollment Status Summ '98	XXXXXXXXX
Enrollment Status Fall '98	XXXXXXXXX
Enrollment Status Wint '99	XXXXXXXXX
Enrollment Status Spr '99	XXXXXXXXX
Enrollment Status Summ '99	XXXXXXXXX
Course of Study	XXXXXXXXXXXXXXXXXXXX
Degree/Cert	XXXXXXXXXXXXXXXXXXXX
Date to Complete Program	99/9999
Yr in Coll in 98-99	XXXXXXXXXXXXXXXXX
Interested in Student Employment?	XXX
Interested in Student Loans?	XXX
Interested in Parent Loans?	XXX
Attend Same College in 1998-99?	XXX
Monthly VA Benefits	999
No. of Months VA Benefits Received	99

C. STUDENT STATUS (Q38-Q43)

Born Before 1-1-75?	XXX
Veteran of U.S. Armed Forces?	XXX
Enrolled Grad/Prof Prog in 98-99?	XXX
Are You Married?	XXX
Orphan or Ward of the Court?	XXX
Have Dependents Other Than Spouse?	XXX

D. HOUSEHOLD INFORMATION (Q44-Q50)

STUDENT (AND SPOUSE)

Number of Family Members	99
Number in College in 1998-99	9

PARENTS

Marital Status	XXXXXXXXX
State of Legal Residence	XX
Date Became a Legal Res.	99/9999
Number of Family Members	99
Number in College in 1998-99	9

E. 1997 INCOME & EARNINGS (Q51-Q74)

STUDENT (AND SPOUSE)

Type of 1997 Tax Form Used	XXXXXXXX
Exemptions Claimed	99
Adjusted Gross Income	$999999
U.S. Income Tax Paid	$99999
Student's Income from Work	$999999
Spouse's Income from Work	$999999
Earned Income Credit	$99999
Social Security Benefits	$99999
Annual AFDC/ADC or TANF	$99999
Child Support Received	$99999
Other Untaxed Income	$99999
Amt from Line 5, Wrksht #3	$99999

PARENTS

Type of 1997 Tax Form Used	XXXXXXXX
Exemptions Claimed	99
Adjusted Gross Income	$999999
U.S. Income Tax Paid	$999999
Father's Income from Work	$999999
Mother's Income from Work	$999999
Earned Income Credit	$99999
Social Security Benefits	$99999
Annual AFDC/ADC or TANF	$99999
Child Support Received	$99999
Other Untaxed Income	$99999
Amt from Line 5, Wrksht #3	$99999

156

1998-99 Institutional Student Information Record

Student ID 999999999 XX 99 EFC 99999XX
Last Name XXXXXXXXXXXXXXXX

READ, SIGN, AND DATE

By signing below, you certify that all the information on this form is true and complete to the best of your knowledge. If asked, you agree to give proof of the information, which may include a copy of your U.S. or state income tax form. If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both. You also certify that:

> you will use any federal student financial aid funds received during the award year covered by this application solely for educational expenses related to attendance during that year at the institution of higher education that determined eligibility for those funds;

> you are not in default on a Title IV educational loan, or you have repaid or made satisfactory arrangements to repay your loan if you are in default;

> you do not owe an overpayment on a Title IV educational grant, or you have made satisfactory arrangement to repay that overpayment; and

> you will notify your school if you do owe an overpayment or are in default.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parent information is given) MUST sign below.

Student ______________________________ Date: ____________

Spouse ______________________________ Date: ____________

Father ______________________________ Date: ____________
Stepfather

Mother ______________________________ Date: ____________
Stepmother

Checkpoint #3: The SAR

Check if each statement is correct.

1. T F Information Review Forms are used to make mandatory corrections indicated on the SAR.

2. T F Information Review Forms have printouts of each FAFSA item with adjacent spaces for corrections.

3. T F If a student completes the FAFSA with insufficient information for an EFC to be calculated, the SAR is flagged as "Pell-ineligible."

4. T F Information Request Forms are used to make optional corrections indicated on the SAR.

5. T F The Information Request Form is Part 3 of the SAR.

6. T F The Information Request Form contains each item from the FAFSA and space for corrections.

7. T F Part 2 includes the following: Information Summary, eligibility letter, FAFSA information, NSLDS history.

8. T F Part 1 of the SAR contains the eligibility letter.

9. T F Part 2 of the SAR is where the student makes corrections.

Answer Key

Checkpoint #1: Calculating Need

1) Susan's original level of need: **$6,000 – 500 = $5,500**

2) Susan's EFA: **$1,500 + $2,550 + $1,450 = $5,500**

3) Susan's new need equation: **$6,000 - $5,500 - $500 = $0**

Checkpoint #2: Packaging Questions

1) Why could first-come, first-served **not** be used at a school awarding FSEOG?

   The limited funds would run out before everyone had an opportunity to take advantage of the grant money. Also, making FSEOG reasonably available throughout the year for rolling admissions (as schools are required to do) would be difficult.

2) What model might allow a student living at school a higher maximum FSEOG than a student living at home?

   The fixed percentage equity model bases maximum gift aid on the COA, so a student living at school would have a higher COA than a student living at home.

3) Which three models treat all students equally, regardless of COA or when they enrolled?

   The ladder model, self-help model, and absolute equity model treat all students equally.

Answer Key (cont'd)

Tony's FAFSA Questions:

Section A: The FAFSA collects parental educational information because some private and state scholarships reward students for being first-generation college attendees. The answers to these questions have no bearing on eligibility for Title IV funds.

Section B: You never know what you are going to get, so you should request to be considered for all resources. You can always decide later not to take out any loans or do work study.

Section C: If your friend is providing more than half of the child's support, your friend should consider the child a legal dependent.

Section D: It sounds like your parents are providing more than half of your sister's support, and she is part of your immediate family. In that case, your parents should include her as a member of the household.

Section E: Unless the aunt is your girlfriend's legal guardian, the aunt's income should not be included in Section E. However, if the aunt is paying any monetary expenses your girlfriend owes (like bills in your girlfriend's name), that should be included as your girlfriend's untaxed income. In-kind support (food, housing), though, should not be included.

If she moves in with you, you should not include your income unless you are married. Like with her aunt, if you give her any cash support, she must report that as untaxed income (unless you give her in-kind support).

Section F: Your parents should not include their primary residence as part of their assets. However, they should include the value of the property they rent out as part of their assets.

Section G & H: To add or delete schools to or from the list, you can: 1) write the changes on the SAR, 2) call the toll number (319-337-5665), or 3) bring your SAR into the new school, and the school can add itself electronically.

The answer to the second question is "No." I should sign only if I actually fill in spaces on the FAFSA.

Answer Key (cont'd)

Checkpoint #3: Find the Mistakes

#8 Your Social Security Number. Chris left this blank. A student must have a Social Security number to apply for federal financial assistance. If a student fails to fill in his or her Social Security number, the FAFSA will be returned to the student unprocessed.

#9 Your date of birth. The year that Chris reported as her birth date was for the current year. This will not cause her application to be returned unprocessed, but she will receive a reject SAR that asks her to correct this information.

#19 First bachelor's degree. Chris stated that she would have her first bachelor's degree before July 1, 1998. This is conflicting information since she also stated that she is a first-year/never attended college student. If true, which is unlikely, it also means she will not be eligible for a Federal Pell Grant or a Federal Supplementary Educational Opportunity Grant (FSEOG). Her SAR would come back and ask her to clarify this information.

#104 Signatures. Chris is a dependent student; therefore, her mother or father would have to sign and date the application.

Types Test

1) The CPS always produces a Student Aid Report (SAR), regardless of the type of FAFSA the student completes. **F**

2) Students applying through EDExpress usually do not have to fill out a paper FAFSA. **F**

3) FAFSA Express can only be completed using a PC. Macintosh users cannot apply through FAFSA Express. **T**

4) Students using FAFSA on the Web should print out and sign a signature page. **T**

5) Students using FAFSA Express also can complete a Renewal FAFSA using that program. **F**

6) Schools not listed on a student's application can still access that student's ISIR without a student knowing about it. **F**

7) Data from a student's application for federal financial aid are screened for eligibility criteria, such as citizenship, legal residence, and a valid Social Security number? **T**

Answer Key (cont'd)

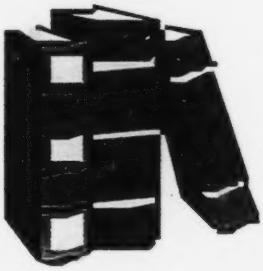
Types Test (cont'd)

8) Except for PLUS Loans, a student cannot receive any federal financial aid without completing a FAFSA on paper, through EDExpress, using FAFSA Express, or using FAFSA on the Web. **T**

9) Dependent students do not need to print and sign a signature page when using Renewal FAFSA on the Web. **F**

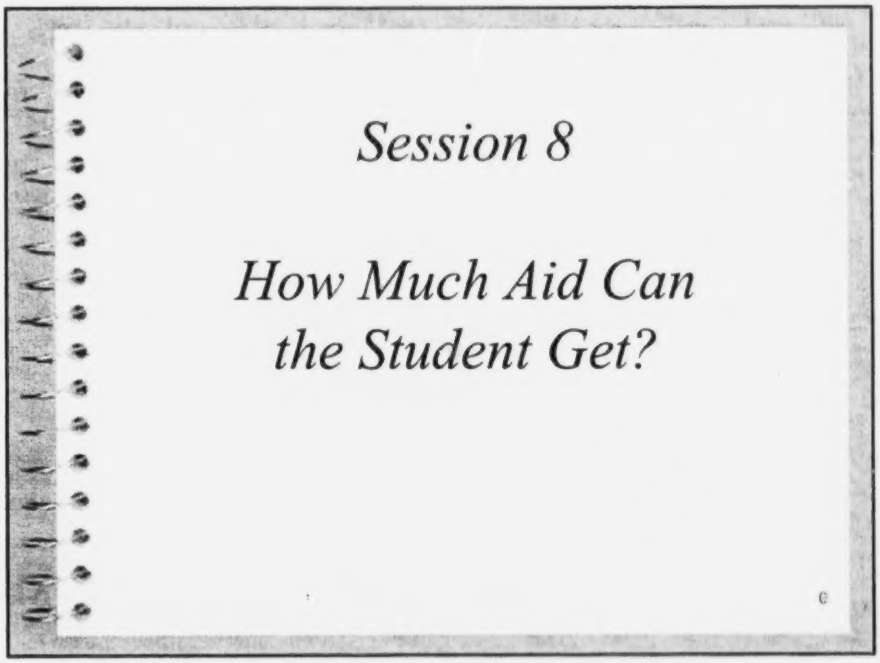
Checkpoint #4: The SAR

1. Information Review Forms are used to make mandatory corrections indicated on the SAR. **FALSE**
2. Information Review Forms have printouts of each FAFSA item with adjacent spaces for corrections. **TRUE**
3. If a student completes the FAFSA with insufficient information for an EFC to be calculated, the SAR is flagged as "Pell-ineligible." **FALSE**
4. Information Request Forms are used to make optional corrections indicated on the SAR. **FALSE**
5. The Information Request Form is Part 3 of the SAR. **FALSE**
6. The Information Request Form contains each item from the FAFSA and space for corrections. **TRUE**
7. Part 2 includes the following: Information Summary, eligibility letter, FAFSA information, NSLDS history. **FALSE**
8. Part 1 of the SAR contains the eligibility letter. **TRUE**
9. Part 2 of the SAR is where the student makes corrections. **TRUE**



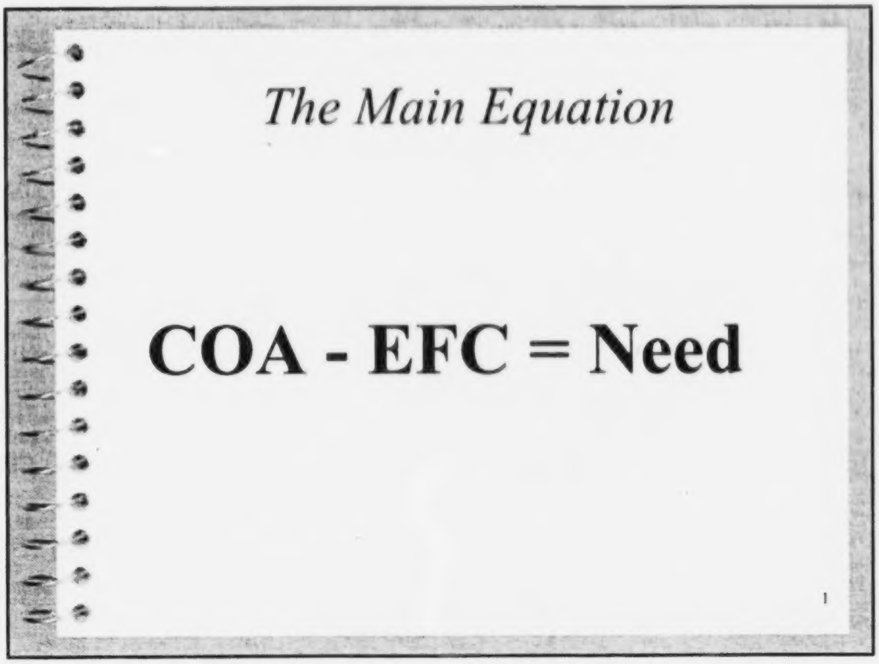
Resources

- ★ The 1998-99 Counselor's Handbook
- ★ The 1998-99 EFC Formula Book
- ★ The 1998-99 Guide to SARs and ISIRs
- ★ The Paper FAFSA
- ★ FAFSA on the Web at www.fafsa.ed.gov
- ★ FAFSA Express: call 1-800-801-0576 to order or download from: www.ed.gov/offices/OPE/express.html
- ★ Dear Colleague Letter GEN-96-20
- ★ Dear Colleague Letter GEN-97-13 (application processing)



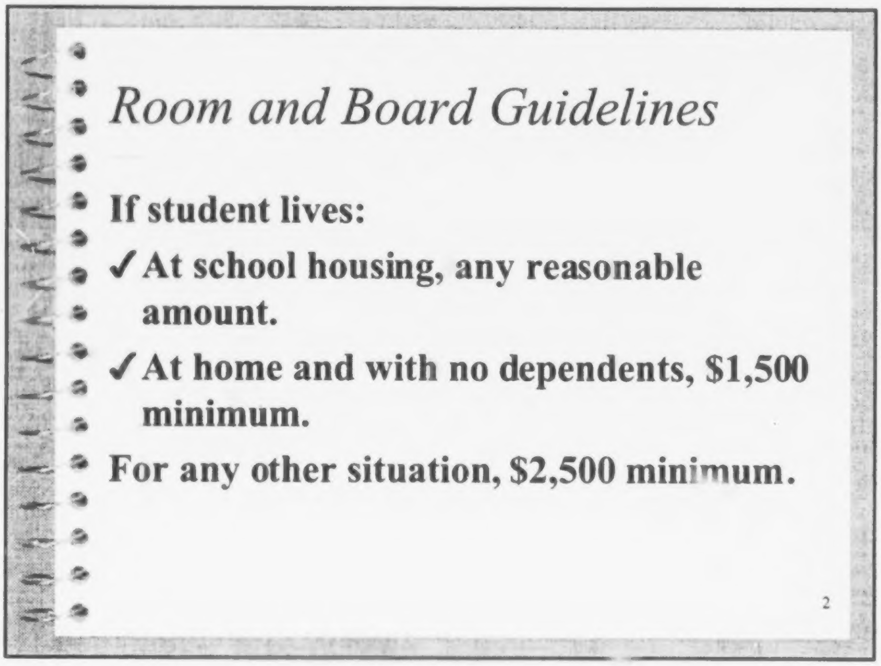
Session 8

How Much Aid Can the Student Get?



The Main Equation

COA - EFC = Need

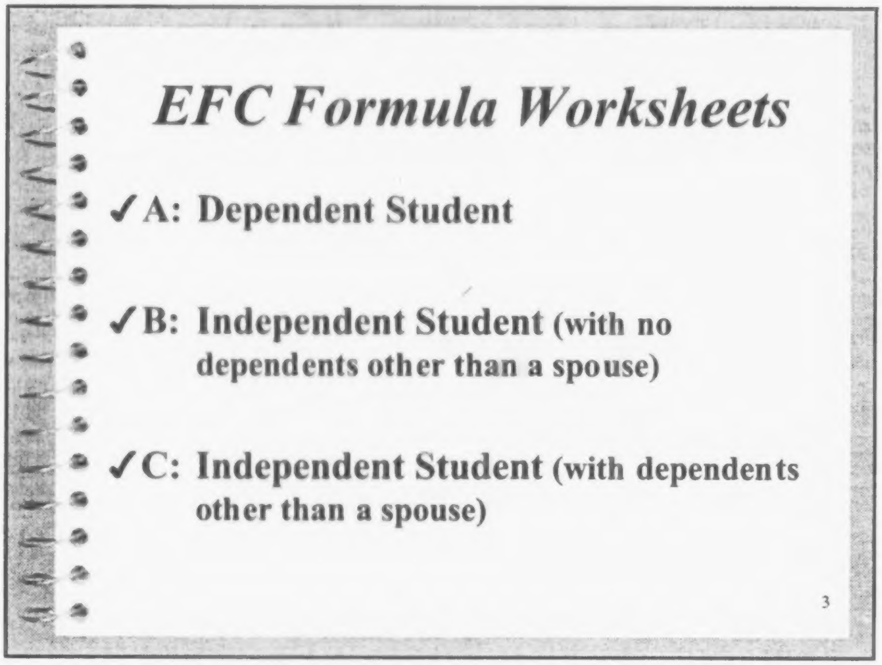


Room and Board Guidelines

If student lives:

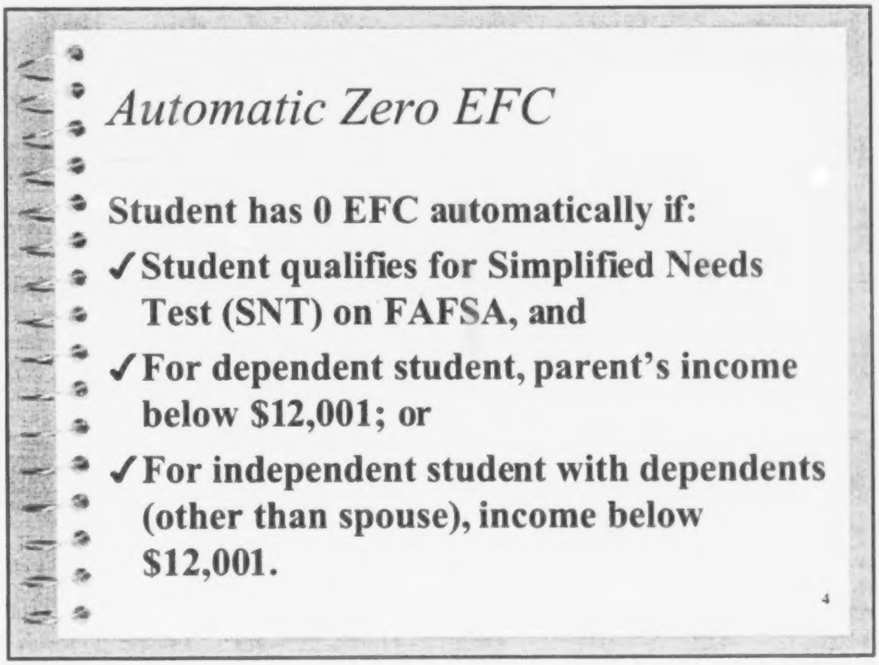
- ✓ **At school housing, any reasonable amount.**
- ✓ **At home and with no dependents, $1,500 minimum.**

For any other situation, $2,500 minimum.



EFC Formula Worksheets

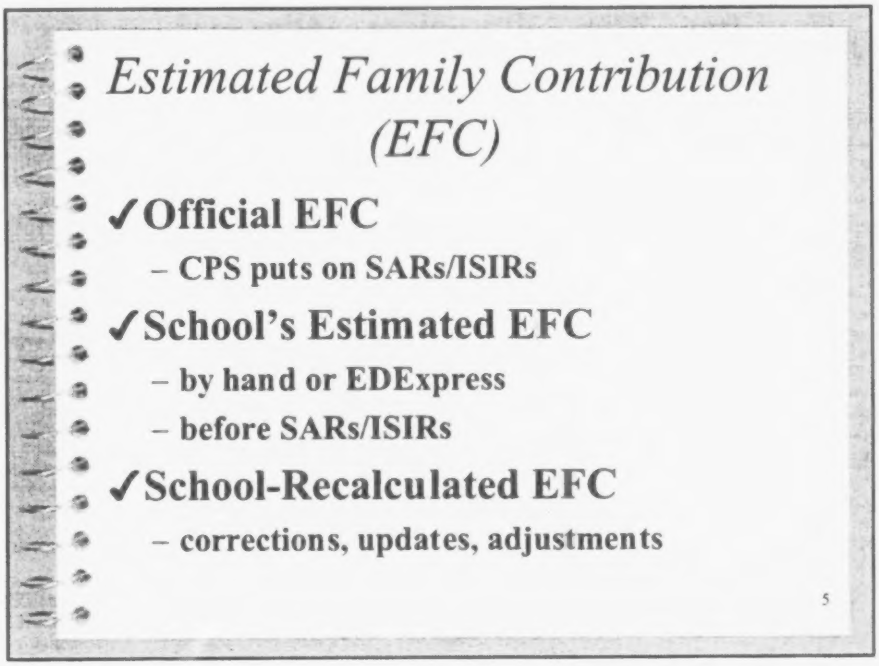
- ✓ **A: Dependent Student**
- ✓ **B: Independent Student** (with no dependents other than a spouse)
- ✓ **C: Independent Student** (with dependents other than a spouse)



Automatic Zero EFC

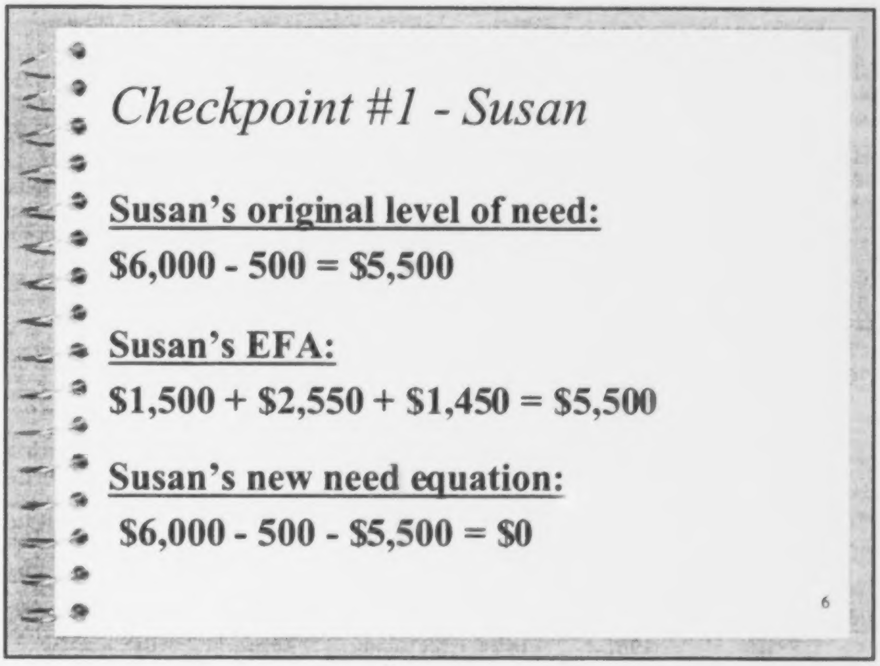
Student has 0 EFC automatically if:

- ✓ **Student qualifies for Simplified Needs Test (SNT) on FAFSA, and**
- ✓ **For dependent student, parent's income below $12,001; or**
- ✓ **For independent student with dependents (other than spouse), income below $12,001.**



Estimated Family Contribution (EFC)

- ✓ **Official EFC**
  - **CPS puts on SARs/ISIRs**
- ✓ **School's Estimated EFC**
  - **by hand or EDExpress**
  - **before SARs/ISIRs**
- ✓ **School-Recalculated EFC**
  - **corrections, updates, adjustments**



Checkpoint #1 - Susan

Susan's original level of need:

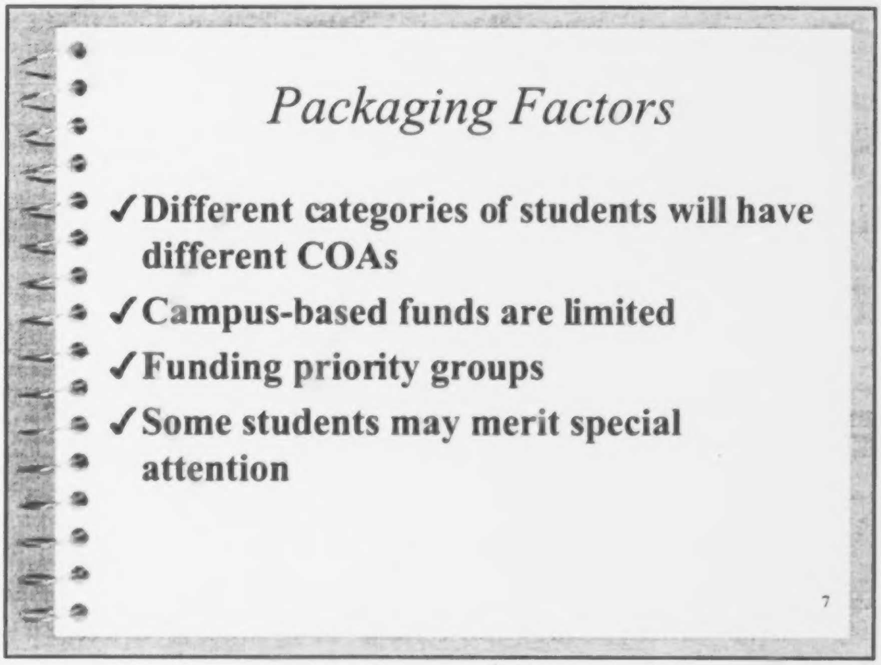
$6,000 - 500 = $5,500

Susan's EFA:

$1,500 + $2,550 + $1,450 = $5,500

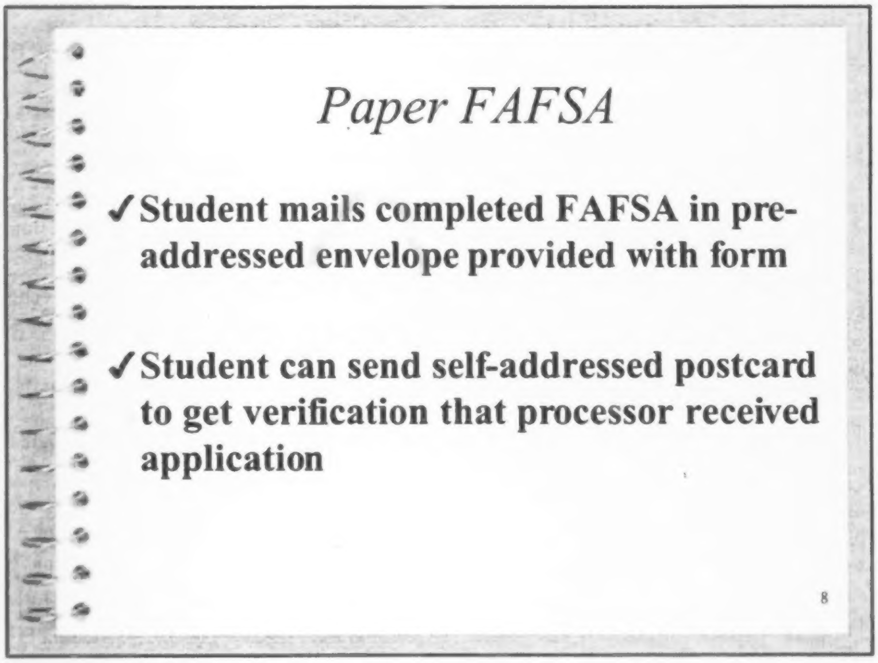
Susan's new need equation:

$6,000 - 500 - $5,500 = $0



Packaging Factors

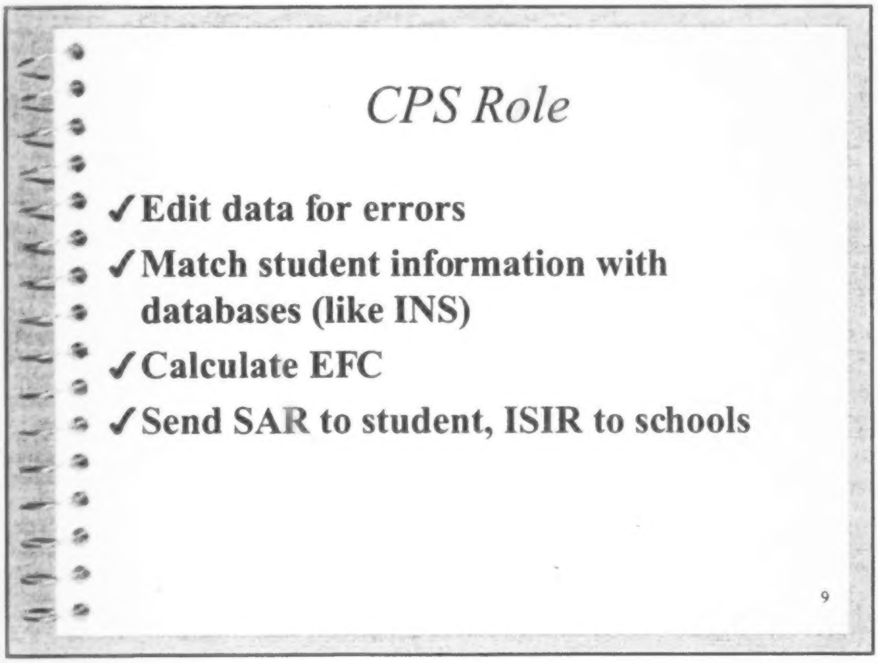
- ✓ **Different categories of students will have different COAs**
- ✓ **Campus-based funds are limited**
- ✓ **Funding priority groups**
- ✓ **Some students may merit special attention**



Paper FAFSA

- ✓Student mails completed FAFSA in pre-addressed envelope provided with form
- ✓Student can send self-addressed postcard to get verification that processor received application

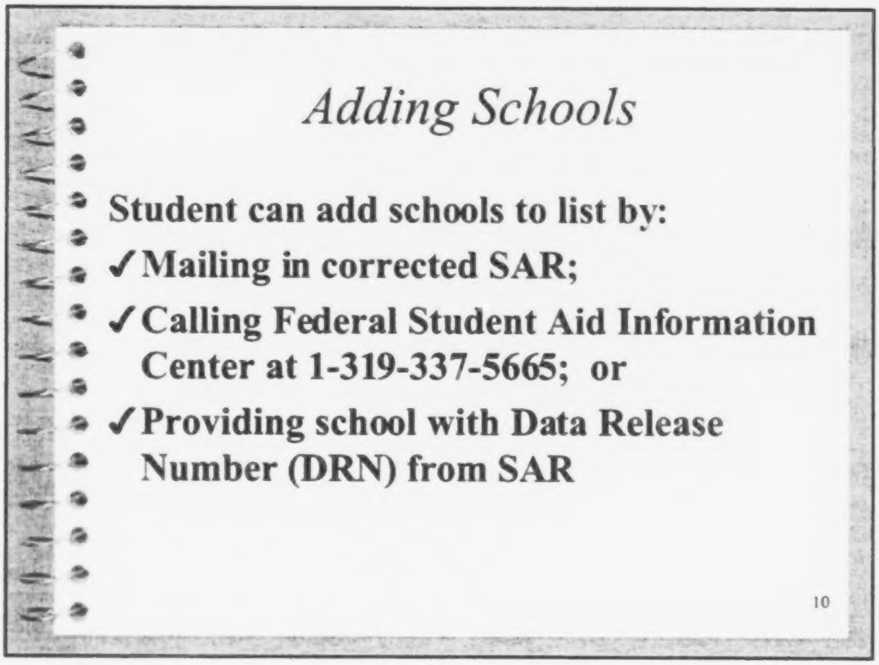
8



CPS Role

- ✓Edit data for errors
- ✓Match student information with databases (like INS)
- ✓Calculate EFC
- ✓Send SAR to student, ISIR to schools

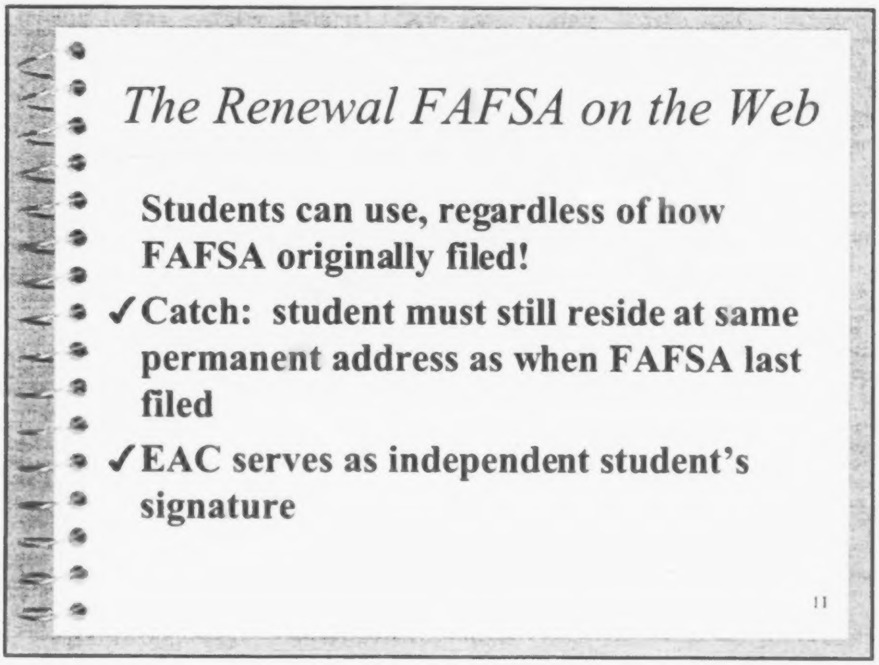
9



Adding Schools

Student can add schools to list by:

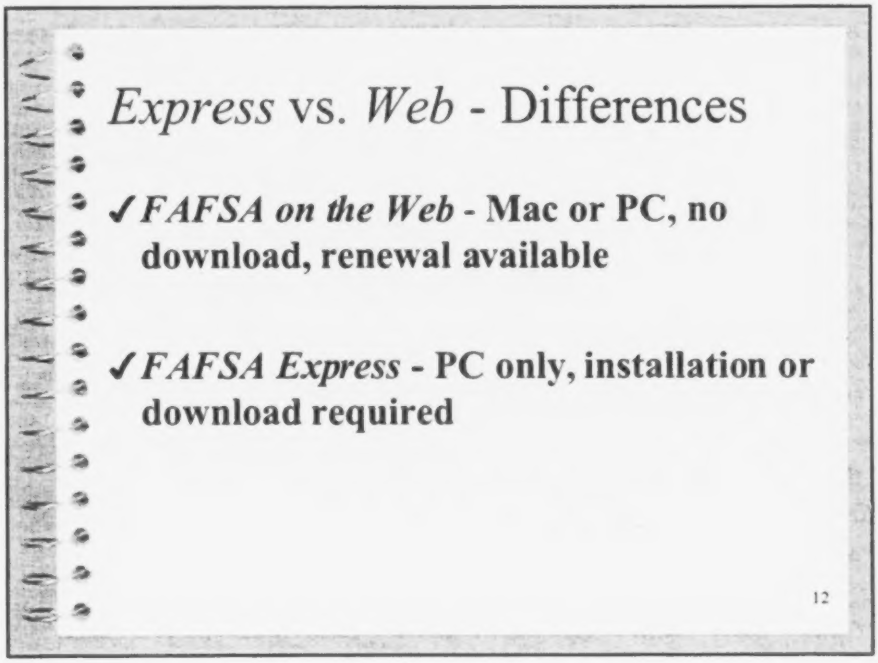
- ✓ **Mailing in corrected SAR;**
- ✓ **Calling Federal Student Aid Information Center at 1-319-337-5665; or**
- ✓ **Providing school with Data Release Number (DRN) from SAR**



The Renewal FAFSA on the Web

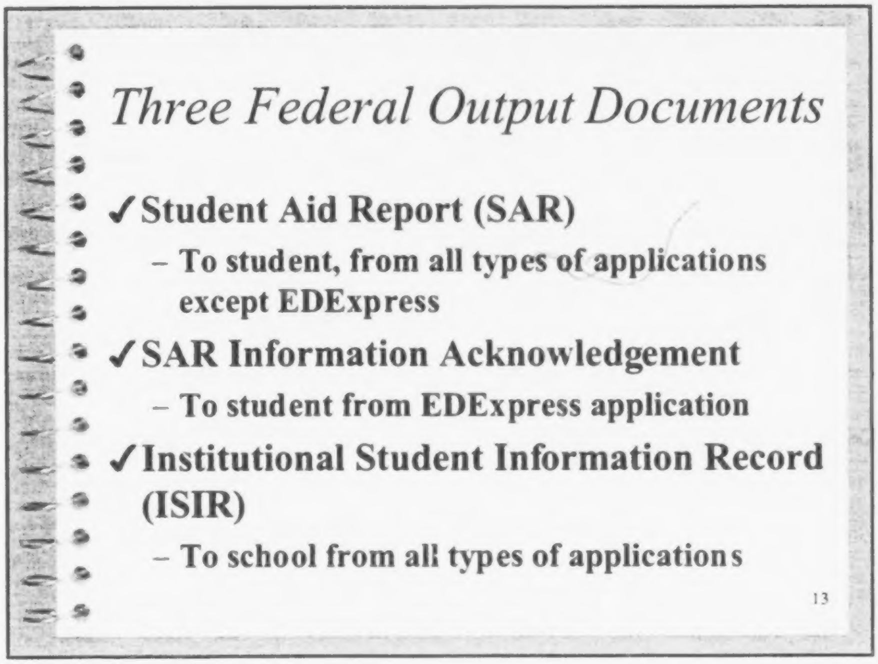
Students can use, regardless of how FAFSA originally filed!

- ✓ **Catch: student must still reside at same permanent address as when FAFSA last filed**
- ✓ **EAC serves as independent student's signature**



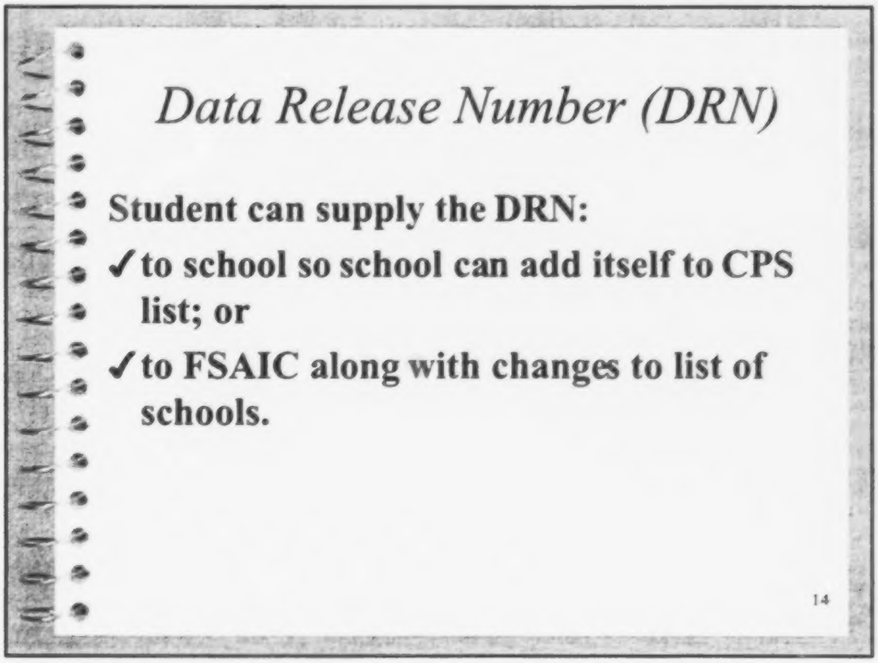
Express vs. *Web* - Differences

- ✓ ***FAFSA on the Web*** **- Mac or PC, no download, renewal available**
- ✓ ***FAFSA Express*** **- PC only, installation or download required**



Three Federal Output Documents

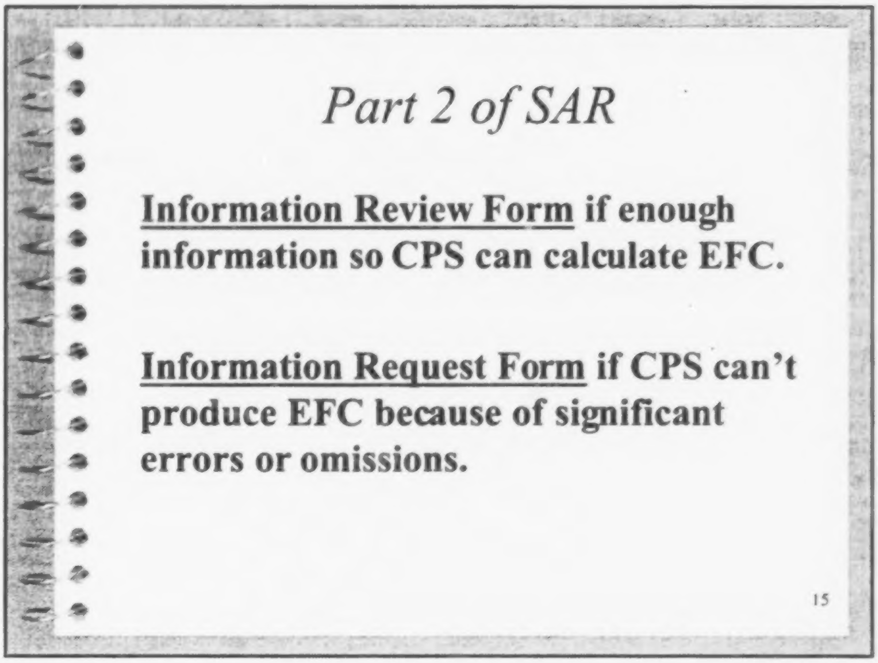
- ✓ **Student Aid Report (SAR)**
  - **To student, from all types of applications except EDExpress**
- ✓ **SAR Information Acknowledgement**
  - **To student from EDExpress application**
- ✓ **Institutional Student Information Record (ISIR)**
  - **To school from all types of applications**



Data Release Number (DRN)

Student can supply the DRN:

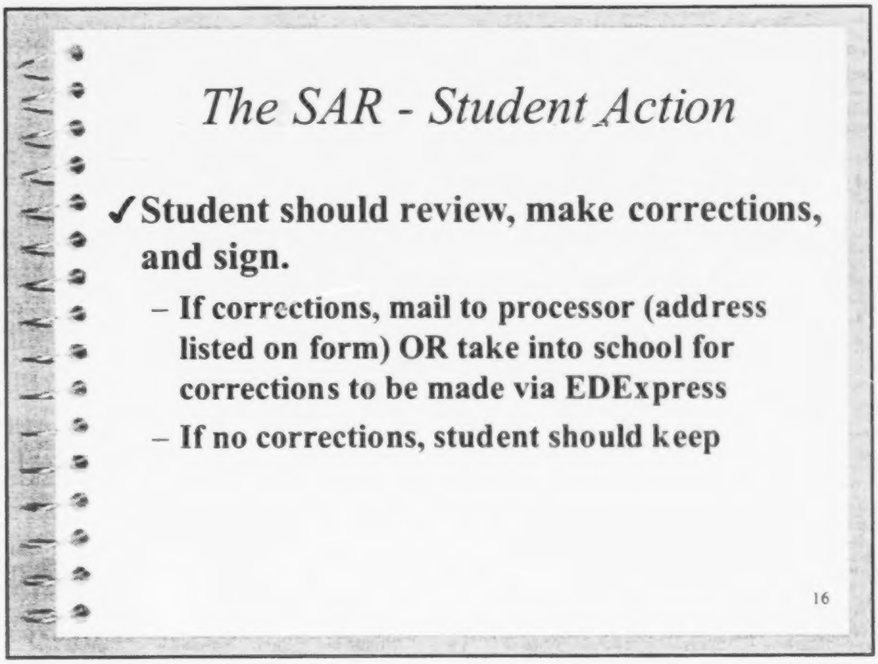
- ✓ **to school so school can add itself to CPS list; or**
- ✓ **to FSAIC along with changes to list of schools.**



Part 2 of SAR

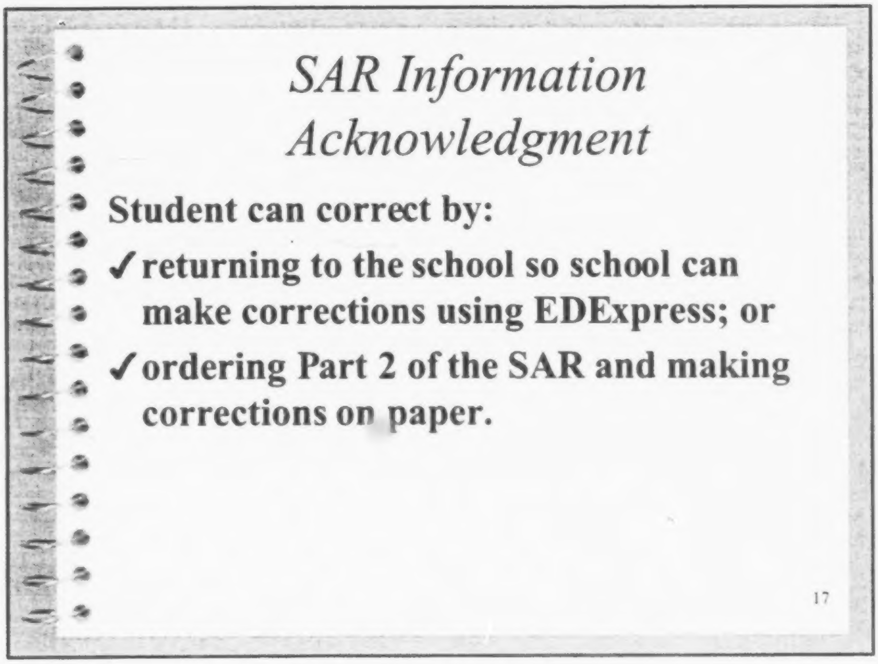
Information Review Form if enough information so CPS can calculate EFC.

Information Request Form if CPS can't produce EFC because of significant errors or omissions.



The SAR - Student Action

✓**Student should review, make corrections, and sign.**
  - **If corrections, mail to processor (address listed on form) OR take into school for corrections to be made via EDExpress**
  - **If no corrections, student should keep**



SAR Information Acknowledgment

Student can correct by:

✓**returning to the school so school can make corrections using EDExpress; or**

✓**ordering Part 2 of the SAR and making corrections on paper.**

Session 9

Verification, Updating, and Corrections

Questions we will answer during this session:

What is verification?

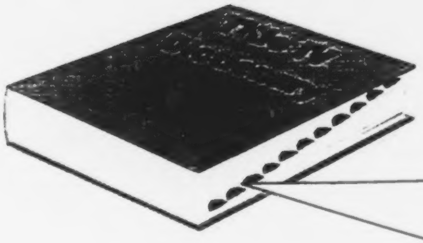
Who selects students to be verified?

How do you perform verification?

How long does a school have to complete verification?
(See *Verification Guide* and overheads)

How do you update and/or correct output documents?
(See *Verification Guide* and overheads)

What is Verification?



Verification – the process of checking the accuracy of information supplied on the Free Application for Federal Student Aid (FAFSA); used to reduce fraud and abuse; handled by financial aid office

Who selects applicants to be verified?

The Central Processing System (CPS)

- You must verify all applicants selected up to 30% of your applicant pool.

The School

- Select as many or as few students as you like.
- Verify whatever items you choose.
- No school-selected applicants count towards 30% requirement.

Checkpoint #1 – 30% Option

The Feld School of Law has 3,500 applicants. The school includes all applicants as part of its applicant pool. The CPS selects 1,000 applications for verification.

How many applications must the school verify? ____________

Howard Educational Institute has 100 applicants. The school includes all applicants as part of its applicant pool. The CPS selects 50 applicants for verification.

How many applications must the school verify? ____________

How do you perform verification?

Step One: Verify the Information

ACCEPTABLE DOCUMENTATION

	Verification Worksheet & Tax Return(s)	Other Documentation in lieu of Worksheet or Tax Return (see the text for details)
Household Size	✓	**Signed Statement**
Number Enrolled	✓	**Signed Statement and/or Institutional Certification**
AGI & Taxes Paid	✓	**IRS Letter 1722, RTFTP, Form W-2, Form 4868, and/or Signed Statement**
Untaxed Income & Benefits	✓	**Official Agency Documentation and/or Signed Statement**

Step Two: Determine the Need for Corrections

If there are no errors, **then** disburse aid as planned.

If there are errors with nondollar items, **then** you must submit corrections.

If there are errors with dollar items, **then** check net amount of error.

- **If** the net amount is less than or equal to $400, **then** you can go forward and award aid without recalculating the EFC or submitting corrections to the CPS.
- **If** the amount exceeds $400, **then** you must either send the corrections in to the CPS or recalculate the EFC by hand.
    - **If** the recalculated EFC does not change the student's Pell award, **then** you may award based on the original EFC.
    - **If** the recalculated EFC raises the Pell award, **then** you may either award based on the original EFC or submit the corrections to the CPS for reprocessing.
    - **If** the recalculated EFC yields a lower award, **then** you must submit the corrections to the CPS for reprocessing.

For campus-based, Direct Loan, and FFEL awards, a school may calculate a new EFC (if tolerance does not apply) and pay on it without submitting the changes to the CPS. In this case, though, the school is liable if the new EFC is incorrect.

Checkpoint #2 – Corrections

The Feld School of Law verifies a student and finds an error in the student's data. The student's household size is 5, although the original data identifies 6.

a) Must the school submit the data for reprocessing? Why?

Howard Education Institute verifies a student and finds some errors. The net amount of the errors exceeds $400. This school likes to recalculate EFCs before submitting any data for corrections.

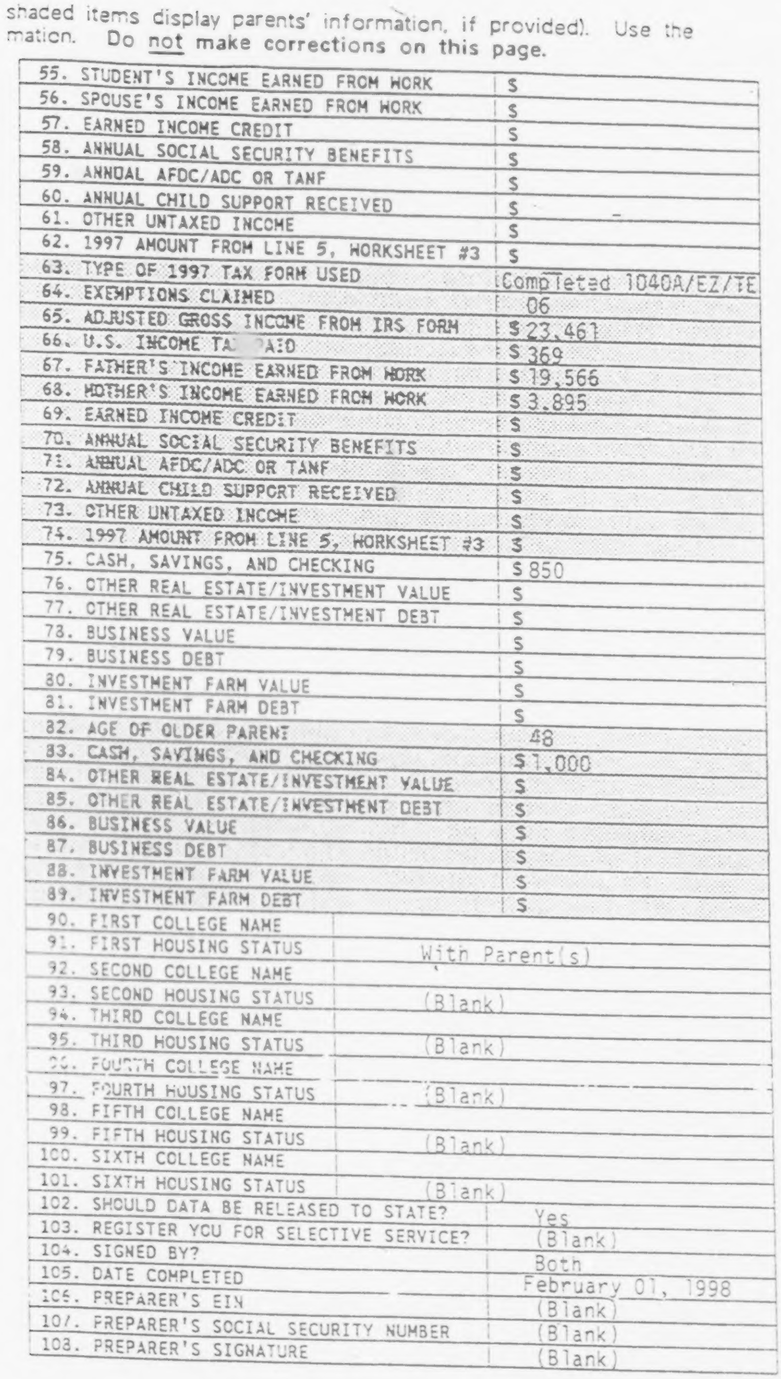
a) Must the school recalculate this student's EFC? Why?

b) If the student's recalculated EFC is lower, and her Pell award increases, must the school submit this data to the CPS? Why?

c) If the new EFC is higher, and lowers the student's Pell, must the school submit this data? Why?

1. LAST NAME	Jackson
2. FIRST NAME	Chris
3. MIDDLE INITIAL	B
4. PERMANENT STREET ADDRESS	2912 Bluefield Court
5. CITY	Rockville
6. STATE ABBREVIATION	MD
7. ZIP CODE	20906
8. SOCIAL SECURITY NUMBER	503-01-0004
9. DATE OF BIRTH	February 10, 1980
10. PERMANENT HOME PHONE NUMBER	(301) 111-0000
11. STATE OF LEGAL RESIDENCE ABBREVIATION	MD
12. DATE YOU BECAME A LEGAL RESIDENT	October 01, 1993
13. DRIVER'S LICENSE NUMBER	
14. DRIVER'S LICENSE STATE ABBREVIATION	
15. CITIZENSHIP STATUS	U.S. Citizen
16. ALIEN REGISTRATION NUMBER	
17. MARITAL STATUS	Unmarried
18. DATE OF MARITAL STATUS	(Blank)
19. FIRST BACHELOR'S DEGREE BY 7-1-1998?	No
20. HIGH SCHOOL DIPLOMA OR GED?	Yes
21. FATHER'S EDUCATIONAL LEVEL	High School
22. MOTHER'S EDUCATIONAL LEVEL	High School
23. ENROLLMENT STATUS SUMMER TERM 1998	Not Enrolled
24. ENROLLMENT STATUS FALL SEM/QTR 1998	Full Time
25. ENROLLMENT STATUS WINTER QTR 1998-99	Not Enrolled
26. ENROLLMENT STATUS SPRING SEM/QTR 1999	Full Time
27. ENROLLMENT STATUS SUMMER TERM 1999	Not Enrolled
28. COURSE OF STUDY	Computer Science
29. TYPE OF DEGREE/CERTIFICATE	1st BA
30. DATE EXPECT TO RECEIVE DEGREE/CERT.	May 15, 2001
31. GRADE LEVEL IN COLLEGE IN 1998-99	1st Never Attended
32. INTERESTED IN STUDENT EMPLOYMENT?	Yes
33. INTERESTED IN STUDENT LOANS?	Yes
34. INTERESTED IN PARENT LOANS?	No
35. ATTENDING SAME COLLEGE IN 1998-99?	(Blank)
36. MONTHLY VA BENEFITS AMOUNT	$ 0
37. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
38. BORN BEFORE 1-1-75?	No
39. VETERAN OF U.S. ARMED FORCES?	No
40. ENROLLED IN GRADUATE PROGRAM 1998-99?	No
41. ARE YOU MARRIED?	No
42. ORPHAN OR WARD OF COURT?	No
43. HAVE DEPENDENTS OTHER THAN SPOUSE?	No
44. NUMBER OF FAMILY MEMBERS IN 1998-99	
45. NUMBER IN COLLEGE IN 1998-99	
46. PARENT(S) MARITAL STATUS	Married
47. PARENT(S) STATE OF LEGAL RESIDENCE	MD
48. DATE PARENT(S) BECAME LEGAL RESIDENT	October 01, 1993
49. NUMBER OF FAMILY MEMBERS IN 1998-99	06
50. NUMBER IN COLLEGE IN 1998-99	2
51. TYPE OF 1997 TAX FORM USED	Not Filed
52. EXEMPTIONS CLAIMED	
53. ADJUSTED GROSS INCOME FROM IRS FORM	$
54. U.S. INCOME TAX PAID	$

BEST COPY AVAILABLE



shaded items display parents' information, if provided). Use the
mation. Do not make corrections on this page.

55. STUDENT'S INCOME EARNED FROM WORK	$
56. SPOUSE'S INCOME EARNED FROM WORK	$
57. EARNED INCOME CREDIT	$
58. ANNUAL SOCIAL SECURITY BENEFITS	$
59. ANNUAL AFDC/ADC OR TANF	$
60. ANNUAL CHILD SUPPORT RECEIVED	$
61. OTHER UNTAXED INCOME	$
62. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$
63. TYPE OF 1997 TAX FORM USED	Completed 1040A/EZ/TE
64. EXEMPTIONS CLAIMED	06
65. ADJUSTED GROSS INCOME FROM IRS FORM	$ 23,461
66. U.S. INCOME TAX PAID	$ 369
67. FATHER'S INCOME EARNED FROM WORK	$ 19,566
68. MOTHER'S INCOME EARNED FROM WORK	$ 3.895
69. EARNED INCOME CREDIT	$
70. ANNUAL SOCIAL SECURITY BENEFITS	$
71. ANNUAL AFDC/ADC OR TANF	$
72. ANNUAL CHILD SUPPORT RECEIVED	$
73. OTHER UNTAXED INCOME	$
74. 1997 AMOUNT FROM LINE 5, WORKSHEET #3	$
75. CASH, SAVINGS, AND CHECKING	$ 850
76. OTHER REAL ESTATE/INVESTMENT VALUE	$
77. OTHER REAL ESTATE/INVESTMENT DEBT	$
78. BUSINESS VALUE	$
79. BUSINESS DEBT	$
80. INVESTMENT FARM VALUE	$
81. INVESTMENT FARM DEBT	$
82. AGE OF OLDER PARENT	48
83. CASH, SAVINGS, AND CHECKING	$ 1,000
84. OTHER REAL ESTATE/INVESTMENT VALUE	$
85. OTHER REAL ESTATE/INVESTMENT DEBT	$
86. BUSINESS VALUE	$
87. BUSINESS DEBT	$
88. INVESTMENT FARM VALUE	$
89. INVESTMENT FARM DEBT	$
90. FIRST COLLEGE NAME	
91. FIRST HOUSING STATUS	With Parent(s)
92. SECOND COLLEGE NAME	
93. SECOND HOUSING STATUS	(Blank)
94. THIRD COLLEGE NAME	
95. THIRD HOUSING STATUS	(Blank)
96. FOURTH COLLEGE NAME	
97. FOURTH HOUSING STATUS	(Blank)
98. FIFTH COLLEGE NAME	
99. FIFTH HOUSING STATUS	(Blank)
100. SIXTH COLLEGE NAME	
101. SIXTH HOUSING STATUS	(Blank)
102. SHOULD DATA BE RELEASED TO STATE?	Yes
103. REGISTER YOU FOR SELECTIVE SERVICE?	(Blank)
104. SIGNED BY?	Both
105. DATE COMPLETED	February 01, 1998
106. PREPARER'S EIN	(Blank)
107. PREPARER'S SOCIAL SECURITY NUMBER	(Blank)
108. PREPARER'S SIGNATURE	(Blank)

BEST COPY AVAILABLE

U.S. Department
of Education

1998-99 Verification Worksheet

Federal Student Aid Programs

FORM APPROVED
OMB NO. 1840-0132
EXP. DATE 12/31/99

DEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your and your parent(s)' 1997 Federal tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR), or your school may send corrections electronically, to have your information reprocessed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parent(s)' financial documents (signed Federal income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and at least one parent.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name: Jackson
First name: Chris
M.I.: B
Social security number: 503-01-0004
Address (include apt. no.): 2912 Bluefield Court
Date of birth: 2/10/80
City: Rockville
State: MD
ZIP code: 20906
Phone number (include area code): (301) 111-0000

B. Family Information

List the people that your parent(s) will support between July 1, 1998 and June 30, 1999. Include:

- yourself
- your parent(s)
- your parent(s)' dependent children (if your parent(s) provide more than half support, or if they would be required to give parental information when applying for Federal student aid.)

Include other people as part of your family only if:

- they lived with your parent(s) and got more than half their support from your parent(s) at the time you completed your student aid application

AND

- they will continue to get more than half their support from July 1, 1998 through June 30, 1999.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1998 and June 30, 1999, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Janet Jones	51	Mother	Central University
Chris B. Jackson	15	Self	Chesapeake State Univ.
Sheldon Jackson	48	Father	
Ann Jackson	47	Mother	
Paul Jackson	20	brother	Loyola University
Sarah Jackson	15	sister	
Loren Jackson	12	sister	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1840-0132. The time required to complete this information collection is estimated to average twelve minutes, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Application and Pell Processing Systems Division, U.S. Department of Education, 600 Independence Avenue, S.W., Washington, DC 20202-5453.

C. Student's Tax Forms and Income Information **Dependent**

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from your tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☐ Check here if you will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If you did not file and are not required to file a 1997 Federal income tax return, list below your employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

D. Parent(s)' Tax Forms and Income Information

1. For non-tax filers and all tax filers (includes the 1997 IRS Form 1040, 1040A, 1040EZ, TeleFile Tax Record, a tax return from Puerto Rico or a foreign income tax return). If your parent(s) did not keep a copy of the tax return, request an RTFTP printout or Letter 1722 from the Internal Revenue Service or a copy from the tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☐ Check here if your parent(s) will not file and are not required to file a 1997 U.S. Income Tax Return.

2. Amounts received for child support and other untaxed income.

Sources of untaxed income	Amount

3. If your parent(s) did not file and are not required to file a 1997 Federal income tax return, list below your parent(s)' employer(s) and any income received in 1997.

Sources (Use the W-2 form or other earnings statements.)	Amount

E. Sign this Worksheet

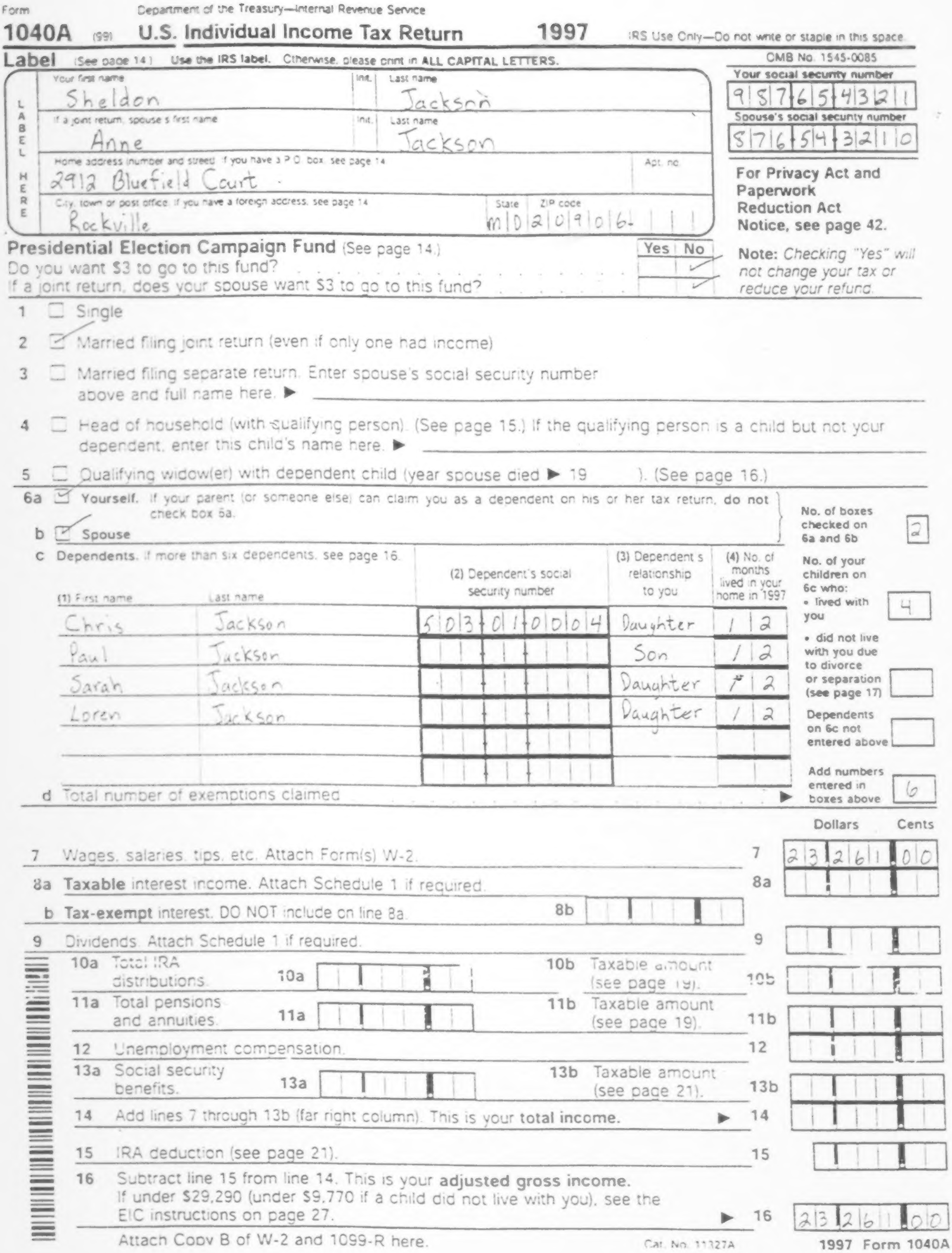
By signing this worksheet, we certify that all the information reported to qualify for Federal student aid is complete and correct. At least one parent must sign.

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Chris D Jackson 5/13/98
Student Date

Sheldon Jackson 5.13.98 Annie Jackson 5/13/98
Father/Stepfather Date Mother/Stepmother Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.



Form **1040A** (99) Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return **1997** IRS Use Only—Do not write or staple in this space.

Label (See page 14.) **Use the IRS label.** Otherwise, please print in **ALL CAPITAL LETTERS.** OMB No. 1545-0085

LABEL HERE

Your first name: Sheldon	Init.	Last name: Jackson
If a joint return, spouse's first name: Anne	Init.	Last name: Jackson
Home address (number and street). If you have a P.O. box, see page 14.: 2912 Bluefield Court		Apt. no.
City, town or post office. If you have a foreign address, see page 14.: Rockville	State: MD	ZIP code: 20906

Your social security number 987-65-4321

Spouse's social security number 876-54-3210

For Privacy Act and Paperwork Reduction Act Notice, see page 42.

Presidential Election Campaign Fund (See page 14.)

	Yes	No
Do you want $3 to go to this fund?		✓
If a joint return, does your spouse want $3 to go to this fund?		✓

Note: *Checking "Yes" will not change your tax or reduce your refund.*

1 ☐ Single

2 ☑ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security number above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 16.)

6a ☑ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a.

b ☑ **Spouse**

No. of boxes checked on 6a and 6b 2

c **Dependents.** If more than six dependents, see page 16.

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) No. of months lived in your home in 1997
Chris	Jackson	503-01-0004	Daughter	12
Paul	Jackson		Son	12
Sarah	Jackson		Daughter	12
Loren	Jackson		Daughter	12

No. of your children on 6c who:
- **lived with you** 4
- **did not live with you due to divorce or separation (see page 17)**

Dependents on 6c not entered above

d Total number of exemptions claimed ▶ **Add numbers entered in boxes above** 6

				Dollars	Cents
7	Wages, salaries, tips, etc. Attach Form(s) W-2.		7	23,261	00
8a	**Taxable** interest income. Attach Schedule 1 if required.		8a		
b	**Tax-exempt** interest. DO NOT include on line 8a.	8b			
9	Dividends. Attach Schedule 1 if required.		9		
10a	Total IRA distributions.	10a	10b Taxable amount (see page 19).		
11a	Total pensions and annuities.	11a	11b Taxable amount (see page 19).		
12	Unemployment compensation.		12		
13a	Social security benefits.	13a	13b Taxable amount (see page 21).		
14	Add lines 7 through 13b (far right column). This is your **total income.** ▶		14		
15	IRA deduction (see page 21).		15		
16	Subtract line 15 from line 14. This is your **adjusted gross income.** If under $29,290 (under $9,770 if a child did not live with you), see the EIC instructions on page 27. ▶		16	23,261	00

Attach Copy B of W-2 and 1099-R here.

Cat. No. 11327A **1997 Form 1040A**

1997 Form 1040A page 2

17	Enter the amount from line 16.		17 23,261.00
18a	Check if: ☐ You were 65 or older ☐ Blind ☐ Spouse was 65 or older ☐ Blind	Enter number of boxes checked ▶ 18a 0	
b	If you are married filing separately and your spouse itemizes deductions, see page 23 and check here ▶ 18b ☐		
19	Enter the **standard deduction** for your filing status. **But** see page 24 if you checked any box on line 18a or 18b **OR** someone can claim you as a dependent. • Single—4,150 • Married filing jointly or Qualifying widow(er)—6,900 • Head of household—6,050 • Married filing separately—3,450		19 6,900.00
20	Subtract line 19 from line 17. If line 19 is more than line 17, enter 0.		20 16,361.00
21	Multiply $2,650 by the total number of exemptions claimed on line 6d.		21 15,900.00
22	Subtract line 21 from line 20. If line 21 is more than line 20, enter 0. This is your **taxable income. If you want the IRS to figure your tax, see page 24.** ▶		22 461.00
23	Find the tax on the amount on line 22 (see page 24).		23 69.00
24a	Credit for child and dependent care expenses. Attach Schedule 2.	24a	
b	Credit for the elderly or the disabled. Attach Schedule 3.	24b	
c	Adoption credit. Attach Form 8839.	24c	
d	Add lines 24a, 24b, and 24c. These are your **total credits.**		24d
25	Subtract line 24d from line 23. If line 24d is more than line 23, enter 0.		25 69.00
26	Advance earned income credit payments from Form(s) W-2.		26
27	Household employment taxes. Attach Schedule H.		27
28	Add lines 25, 26, and 27. This is your **total tax.** ▶		28 69.00
29a	Total Federal income tax withheld from Forms W-2 and 1099.	29a 369.00	
b	1997 estimated tax payments and amount applied from 1996 return.	29b 0.00	
c	**Earned income credit.** Attach Schedule EIC if you have a qualifying child.	29c 0.00	
d	Nontaxable earned income: amount ▶ and type ▶		
e	Add lines 29a, 29b, and 29c. These are your **total payments.** ▶		29e 369.00
30	If line 29e is more than line 28, subtract line 28 from line 29e. This is the amount you **overpaid.**		30 300.00
31a	Amount of line 30 you want **refunded to you.** If you want it directly deposited, see page 33 and fill in 31b, 31c, and 31d.		31a 300.00
b	Routing number	c Type: ☐ Checking ☐ Savings	
d	Account number		
32	Amount of line 30 you want **applied to your 1998 estimated tax.**	32	
33	If line 28 is more than line 29e, subtract line 29e from line 28. This is the **amount you owe.** For details on how to pay, see page 34.		33 0.00
34	Estimated tax penalty (see page 34).	34	

Sign here

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature Sheldon Jackson	Date 1-23-98	Your occupation Construction Worker
Spouse's signature. If joint return, BOTH must sign. Anne Jackson	Date 1/23/98	Spouse's occupation Secretary

Paid preparer's use only

Preparer's signature ▶ 0	Date	Check if self-employed ☐	Preparer's SSN
Firm's name (or yours if self-employed) and address ▶			EIN
			ZIP code

183

1998-99 VERIFICATION WORKING PAPER

Student: ______________________ SS#: ______________ Dependency Status: ____________

Type of return (parent/s): 1040 1040A 1040EZ Type of return (student/spouse): 1040 1040A 1040EZ

	Item Reported (Check box if match or not applicable)		Amount Reported & SAR Line Item	Amount Verified & Source Line Item
	Household Size	☒	6 44/49	6 Worksheet
	Number in College	☐	45/50	Worksheet
	Parent Adjusted Gross Income	☐	65	1040-32; 1040A-16; 1040EZ-4
	Parent Income Tax Paid	☐	66	1040-46; 1040A-25; 1040EZ-10
	Student/Spouse Adjusted Gross Income	☐	53	1040-32; 1040A-16; 1040EZ-4
	Student/Spouse Income Tax Paid	☐	54	1040-46; 1040A-25; 1040EZ-10
Non-tax-filers	Student Earnings	☐	55	**Worksheet** **Line items for reference only:** **1040 7+12+18** **1040A-7** **1040EZ-1**
	Spouse Earnings	☐	56	
	Mother Earnings	☐	67	
	Father Earnings	☐	68	
	Untaxed Income:			
	*Social Security Benefits	☐	58/70	Worksheet or SSA statement
	**Child Support	☐	60/72	Worksheet
	IRA / KEOGH Deductions	☐	***61/73	1040-23+28; 1040A-15
	Foreign Income Exclusion	☐	***61/73	IRS 2555-43; 2555EZ-18
	Earned Income Credit	☐	57/69	1040-56a; 1040A-29c; 1040EZ-8a
	Interest on Tax-Free Bonds	☐	***61/73	1040-8b; 1040A-8b

* Verify if comment on SAR or reason to believe benefits were reported incorrectly or received and not reported.

** Verify if reported or if reason to believe benefit was received and not reported.

*** Combined for this SAR item. Broken out on FAFSA worksheet #2

Verification Status Code: N A W T C R S

Net error of items not checked: $
($400 or less)

NOTES:

Verification Performed By:

Date:

Verification Status Codes

N - Not selected

A - Accurate

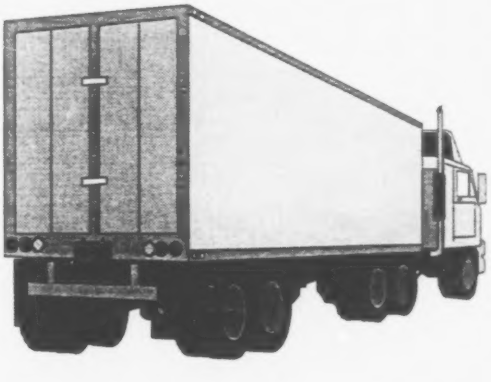
W - Without Documentation

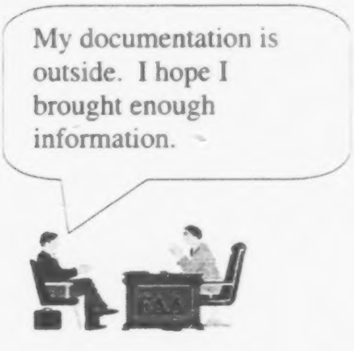
T - Tolerance

C - Calculated

R - Reprocessed

S - Selected, Not Verified




My documentation is outside. I hope I brought enough information.
FAA

1998-99 Signature Requirements for Application and Verification Information

...general requirements for federal student aid	**Application** (FAFSA, Renewal Application, EDE, FAFSA Express)	**IRS FORMS** 1040 or other form submitted for verification	**Verification Worksheet**
Student	Must sign statement that data are accurate (on application, echo document, or signature page)	Tax return must be signed by student (or spouse) or by the tax preparer (or stamp)	Must sign worksheet
Parent(s) (of dependent student)	At least one parent must sign statement that data are accurate (on application, echo document, or signature page)	Tax return must be signed by at least one parent or by the tax preparer (or stamp)	At least one parent must sign
FAA	Must certify if dependency override is performed		

...additional requirements to receive a Federal Pell Grant	**SAR** to be submitted for corrections	**EDE** corrections	**Professional Judgment** SAR or EDE	**Valid SAR or ISIR**
Student	Must sign corrections statement on Part 2 of SAR	School must have signed documentation		No signature required
Parent(s) (of dependent student)	At least one parent must sign corrections statement on Part 2 of SAR	School must have signed documentation		No signature required
FAA			Must certify for adjustments or dependency override	

Note:

- Statements of Educational Purpose and Overpayment/Default are on the FAFSA and are considered signed when student signs the FAFSA.
- Student's spouse is not required to sign any of the student's financial aid documents.

Answer Key

Checkpoint #1 - 30%

Feld School of Law: 1,000 applicants must be verified

Howard Education Institute: 30 applicants must be verified

Checkpoint #2 – Corrections

Feld School of Law:

a) School must submit data for corrections because nondollar error.

Howard Education Institute:

a) School must recalculate EFC, because errors exceed tolerance.

b) School must submit corrections if it wants to pay student for higher Pell; otherwise, it can pay the student on the original EFC.

c) School must submit correction if Pell award is lowered.

1998-99 VERIFICATION WORKING PAPER

Student: Chris Jackson SS#: 503-01-0004 Dependency Status: 0

Type of return (parent/s): 1040 [✓ 1040A] 1040EZ Type of return (student/spouse): ~~1040 1040A 1040EZ~~

	Item Reported (Check box if match or not applicable)		Amount Reported & SAR Line Item		Amount Verified & Source Line Item	
	Household Size	X	6	44/49	6	Worksheet
	Number in College	X	2	45/50	2	Worksheet
	Parent Adjusted Gross Income		23,461	65	23,261	1040-32; 1040A-16; 1040EZ-4
	Parent Income Tax Paid		369	66	69	1040-46; 1040A-25; 1040EZ-10
	Student/Spouse Adjusted Gross Income	X	0	53	0	1040-32; 1040A-16; 1040EZ-4
	Student/Spouse Income Tax Paid	X	0	54	0	1040-46; 1040A-25; 1040EZ-10
Non-tax-filers	Student Earnings	X	0	55	0	**Worksheet** **Line items for reference only** **1040 7+12+18** **1040A-7** **1040EZ-1**
	Spouse Earnings	X	0	56	0	
	Mother Earnings	X	0	67	0	
	Father Earnings	X	0	68	0	
	Untaxed Income:					
	*Social Security Benefits	X	0	58/70	0	Worksheet or SSA statement
	**Child Support	X	0	60/72	0	Worksheet
	IRA / KEOGH Deductions	X	0	***61/73	0	1040-23+28; 1040A-15
	Foreign Income Exclusion	X	0	***61/73	0	IRS 2555-43; 2555EZ-18
	Earned Income Credit	X	0	57/69	0	1040-56a; 1040A-29c; 1040EZ-8a
	Interest on Tax-Free Bonds	X	0	***61/73	0	1040-8b; 1040A-8b

* Verify if comment on SAR or reason to believe benefits were reported incorrectly or received and not reported.

** Verify if reported or if reason to believe benefit was received and not reported.

*** Combined for this SAR item. Broken out on FAFSA worksheet #2.

Verification Status Code: N A W T C [✓ R] S

Net error of items not checked: $ 500 ($400 or less)

NOTES:

Verification Performed By: Your Name

Date: Todays Date

188

Resources

- ★ The 1998-99 Verification Guide
- ★ Dear Colleague Letter GEN-97-13
  (Action Letter #3 – Application Processing)

Session 9

Verification, Updating, and Corrections

CPS-Selected Verification

- **Asterisk to right of EFC on SAR**
- **Code on ISIR**

30% Verification Option

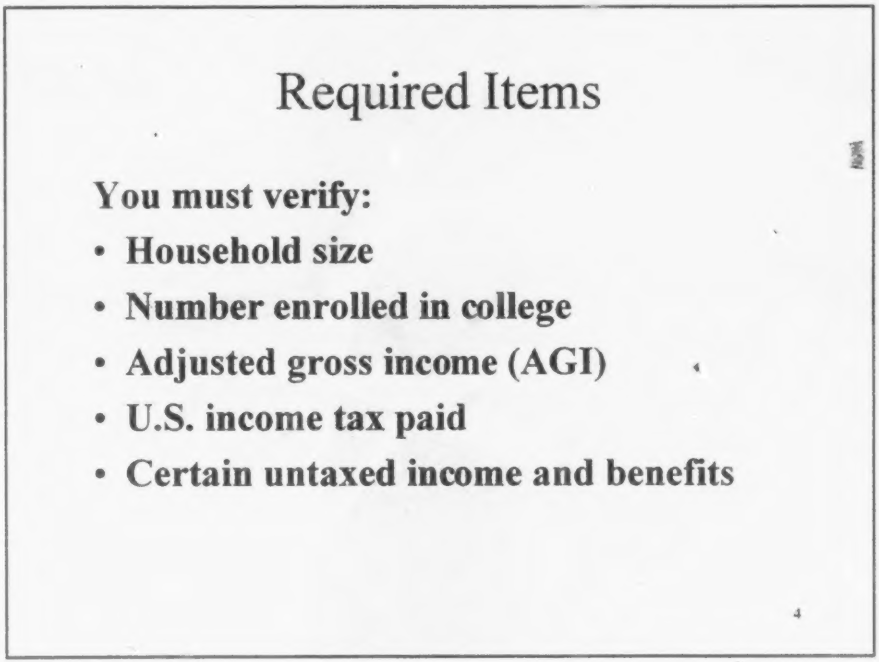
School never required to verify more than 30% of selected applicants

- **If CPS selects more than 30% of applicant pool, you may stop at 30%**
- **If CPS selects 30% or less of applicant pool, verify all applicants selected**

Verification Steps

Step 1: **Verify the information**

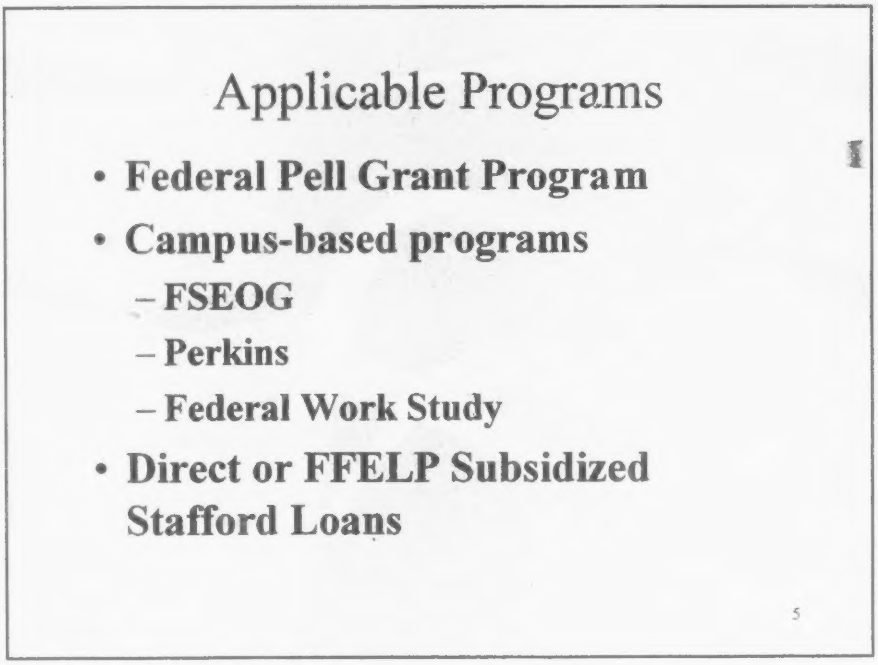
Step 2: **Determine need for corrections and EFC recalculation**



Required Items

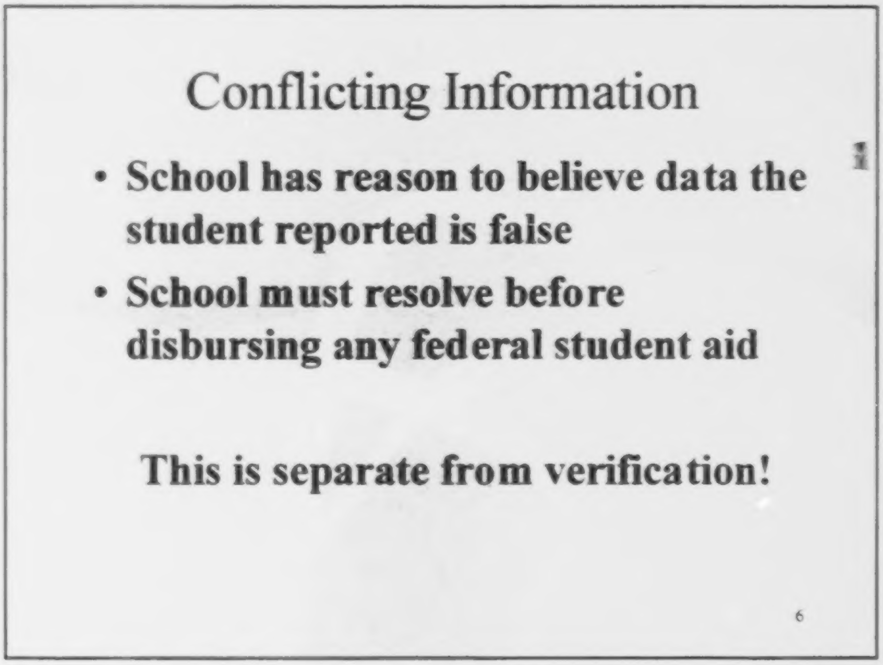
You must verify:

- **Household size**
- **Number enrolled in college**
- **Adjusted gross income (AGI)**
- **U.S. income tax paid**
- **Certain untaxed income and benefits**



Applicable Programs

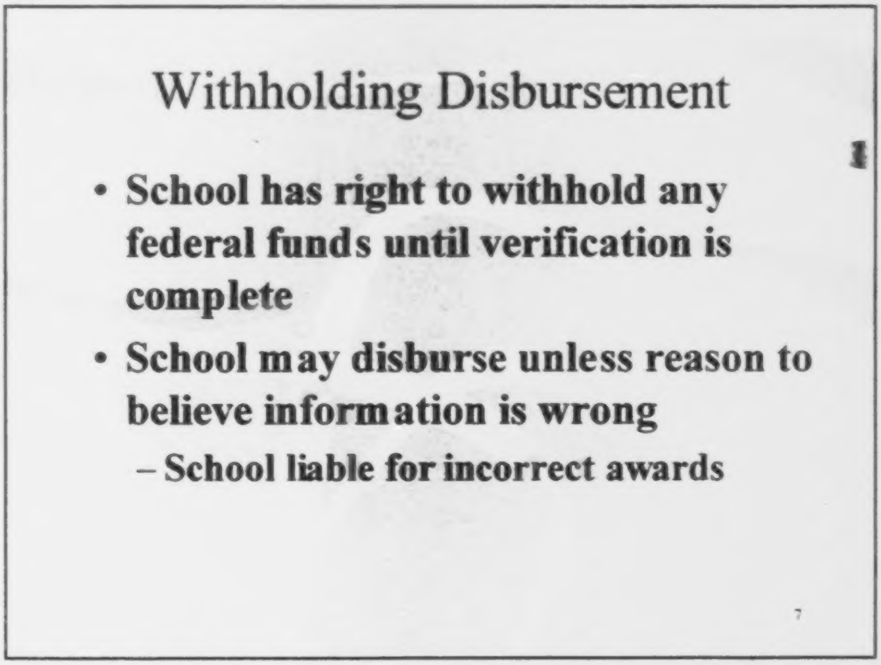
- **Federal Pell Grant Program**
- **Campus-based programs**
  - **FSEOG**
  - **Perkins**
  - **Federal Work Study**
- **Direct or FFELP Subsidized Stafford Loans**



Conflicting Information

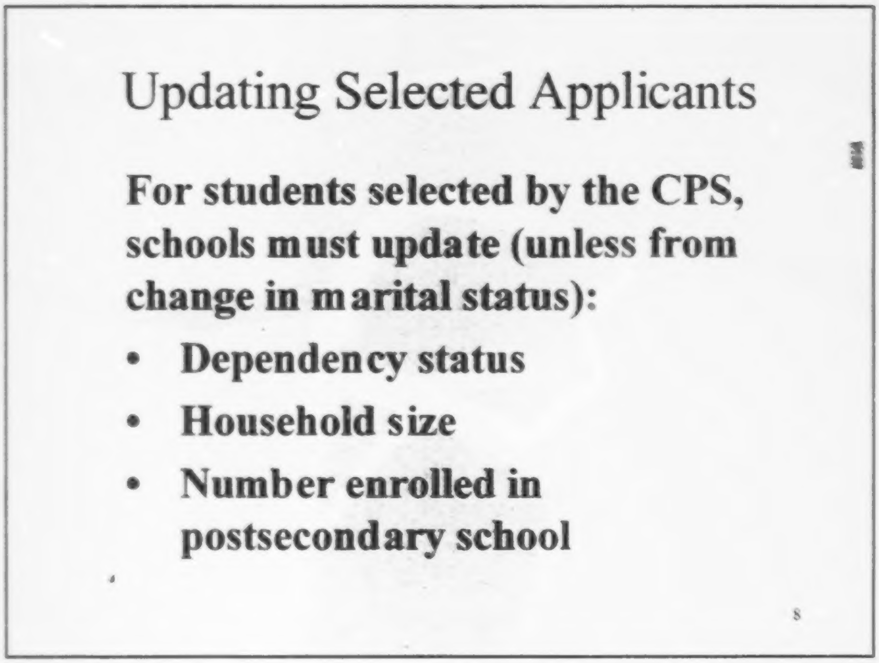
- School has reason to believe data the student reported is false
- School must resolve before disbursing any federal student aid

This is separate from verification!



Withholding Disbursement

- School has right to withhold any federal funds until verification is complete
- School may disburse unless reason to believe information is wrong
  - School liable for incorrect awards



Updating Selected Applicants

For students selected by the CPS, schools must update (unless from change in marital status):

- **Dependency status**
- **Household size**
- **Number enrolled in postsecondary school**

Session 10

Professional Judgment

Questions we will answer during this session:

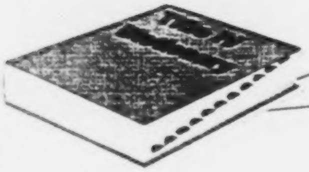
What is professional judgment?

How do you adjust Cost of Attendance?

How do you adjust Expected Family Contribution?

What are some other ways you can exercise professional judgment?

What is professional judgment?



Professional judgment – a *discretionary* action on the part of the financial aid office to address *unusual* circumstances that affect a student's ability to pay his or her educational expenses; must be *documented* in student's file

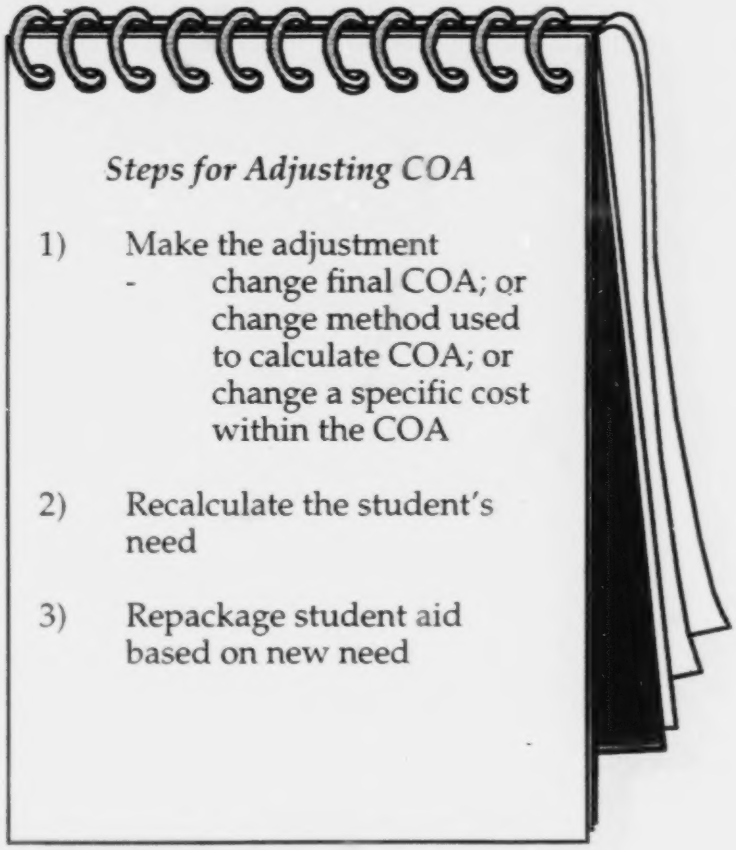
Discretionary: not required by law to use it

Unusual: not for across-the-board changes; only on a case-by-case basis

Examples of Documentation

1. ______________________
2. ______________________
3. ______________________
4. ______________________
5. ______________________
6. ______________________
7. ______________________
8. ______________________
9. ______________________
10. ______________________

How do you adjust cost of attendance?



Steps for Adjusting COA

1) Make the adjustment
    - change final COA; or change method used to calculate COA; or change a specific cost within the COA

2) Recalculate the student's need

3) Repackage student aid based on new need

COA costs to adjust using professional judgment:

- **tuition and fees**
- **books, supplies, transportation, and miscellaneous expenses**
- **room and board**
- **dependent-care expenses**
- **study-abroad expenses**
- **disability-related expenses**
- **employment expenses related to cooperative education programs**
- **student loan fees**

Adjusting Cost of Attendance

Case Study

Stephen comes to you the day before school starts. He explains that his disability, which involves his leg muscles, has worsened considerably over the last few months. Stephen's doctor has ordered him to purchase a special wheelchair in order to get around campus and attend classes comfortably. He may also need additional pain medication. You already have some disability-related expenses built in to Stephen's cost of attendance.

With this in mind, answer the questions that follow.

1. **What would you collect from Stephen in order to document his file?**

2. **How would you adjust Stephen's COA to account for the additional costs? (Give the data elements you would adjust.)**

3. **Would you exercise professional judgment in this case? Why or why not?**

How do you adjust expected family contribution (EFC)?

Steps for Adjusting EFC

1) Adjust EFC data element
   - can't adjust EFC itself, or method of calculation, only data element

2) Calculate adjusted EFC
   - EDExpress calculation or hand calculation using need analysis worksheets

3) Recalculate Pell
   - if Pell changes, go to Step 4
   - if Pell doesn't change, skip to Step 5

4) Report adjustments to CPS
   - since Pell changed, need new official EFC from CPS to award aid
   - adjust paper SAR, Part 2 (see box on page 7) OR change ISIR (using EDExpress or similar software)

5) Recalculate need based on COA-EFC

6) Repackage student aid based on new EFC

Case Study

Adjusting Cost of Attendance

Larissa comes to you the day before classes begin. She explains that the father of her 3-year-old daughter is unemployed, and has stopped paying child support of $500 per month. Larissa fears that this new expense will make her unable to pay for any educational expenses not covered by financial aid. Her EFC is currently 420. She asks if there is anything you can do to help.

With this in mind, answer the questions that follow.

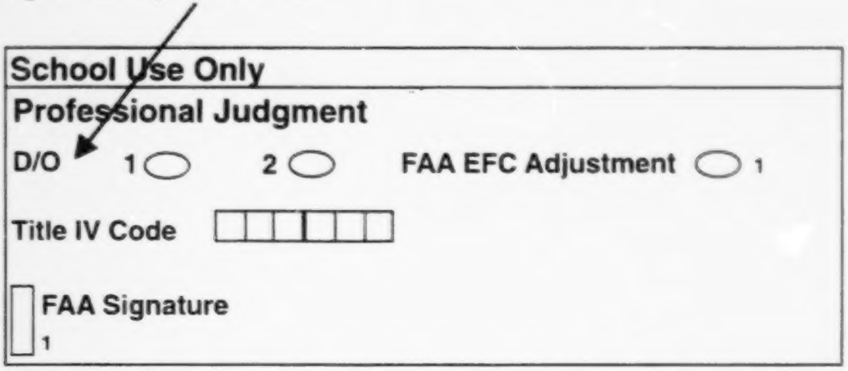
1. **What would you collect from Larissa in order to document her file?**

2. **How would you adjust Larissa's EFC to account for the additional expenses? (Using the need analysis worksheets on pages 5 and 6 of Session 8, list the data elements you would adjust.)**

3. **Would you exercise professional judgment in this case? Why or why not?**

What are some other ways you can exercise professional judgment?

Dependency Override



School Use Only

Professional Judgment

D/O 1 ○ 2 ○ **FAA EFC Adjustment** ○ 1

Title IV Code ☐☐☐☐☐☐

☐ **FAA Signature** 1

- Fill in 1 to declare a dependent student as independent.
- Fill in 2 to override a dependency override.
- A student that starts as independent can't be changed to dependent.

This can also be done electronically using EDExpress.

Certifying Additional Unsubsidized Loans

- for borrowers whose parents are unable to take out PLUS loans due to adverse credit, not for borrowers whose parents REFUSE to take out PLUS loans

Adjusting Satisfactory Academic Progress Requirements

- due to mitigating circumstances only

Declining to Certify a Student Loan Application or Certifying it for a Lesser Amount

- must be explained to student in writing

Answer Key

Documentation Examples

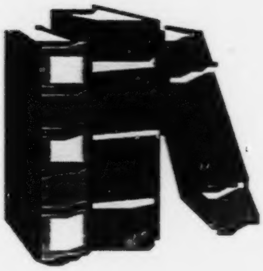
Letters from doctors, lawyers and employers; cancelled checks; copies of bills; copies of pay stubs; copies of tax documents; worksheets the FAA completes for COA or EFC recalculations or for repackaging

Case Study #1 – Adjusting COA

1) **doctor's notes; doctor bills; proof of expense of wheelchair and medication; evidence that expenses won't be covered by insurance**
2) **adjust COA itself; increase disability-related expenses, miscellaneous expenses, personal expenses**

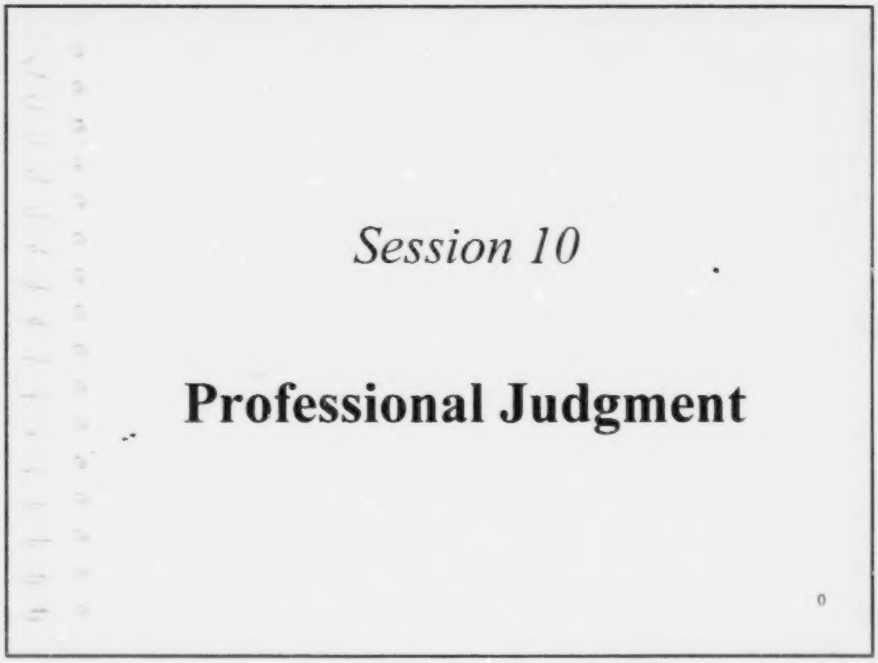
Case Study #2 – Adjusting EFC

1) **proof of child support payments; proof of requirement that father must make payments; proof of monthly expenses; Larissa's pay stub**
2) **adjust Larissa's AGI or other income elements**



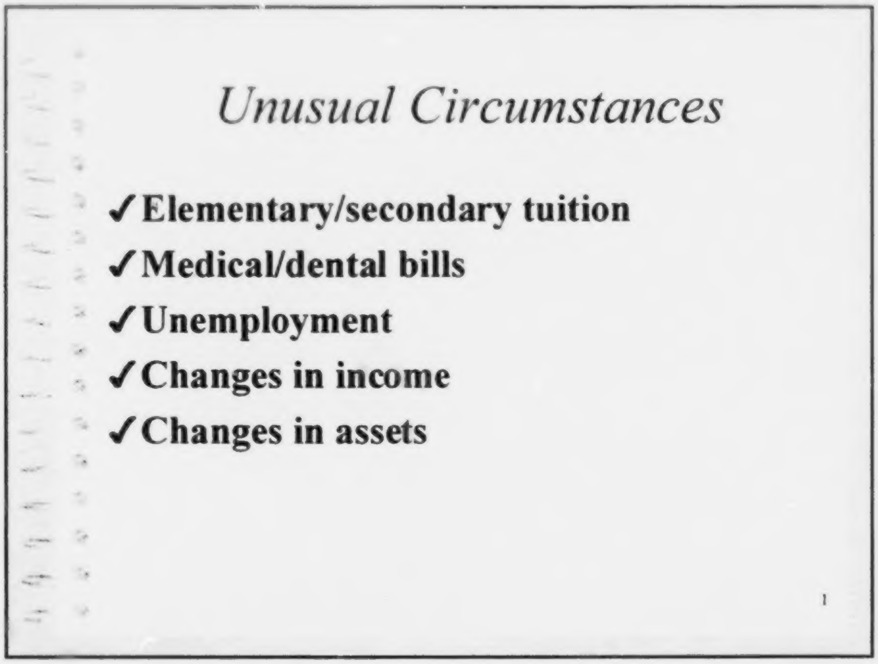
Resources

- The 1998-99 Counselor's Handbook
- The 1998-99 Federal Student Financial Aid Handbook, Chapter 2, Section 3



Session 10

Professional Judgment



Unusual Circumstances

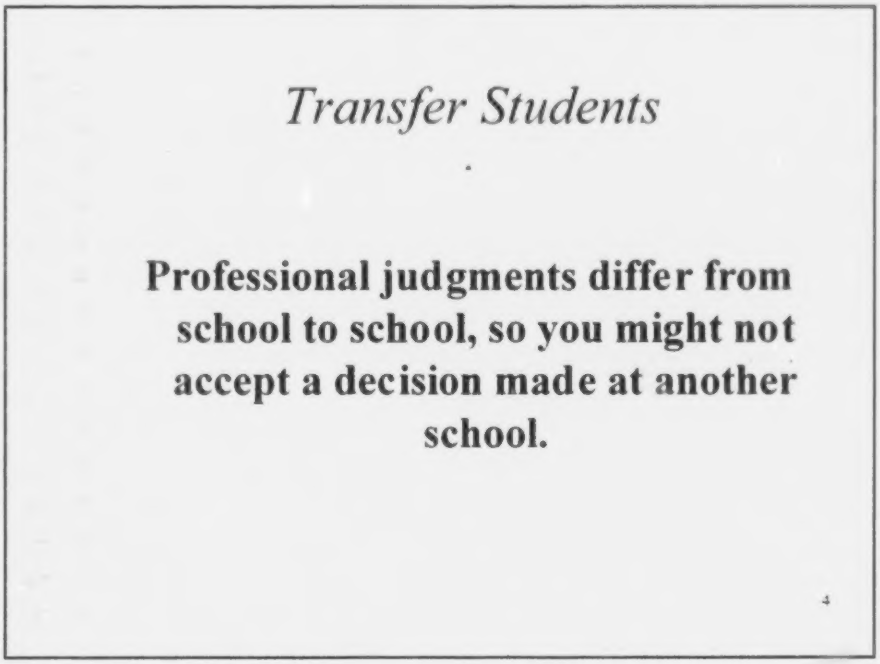
- ✓ **Elementary/secondary tuition**
- ✓ **Medical/dental bills**
- ✓ **Unemployment**
- ✓ **Changes in income**
- ✓ **Changes in assets**

Case-By-Case Basis

- ✓ Not across-the-board changes
- ✓ Students will come to you
- ✓ Other situations may be indicators of potential professional judgment circumstances

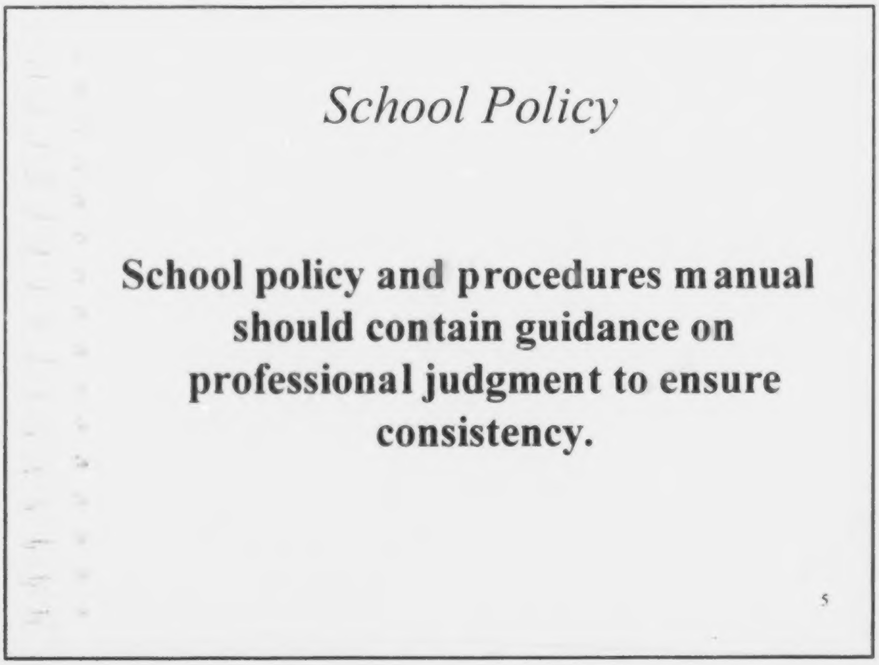
Documentation

You must document all professional judgment decisions in the student's file!



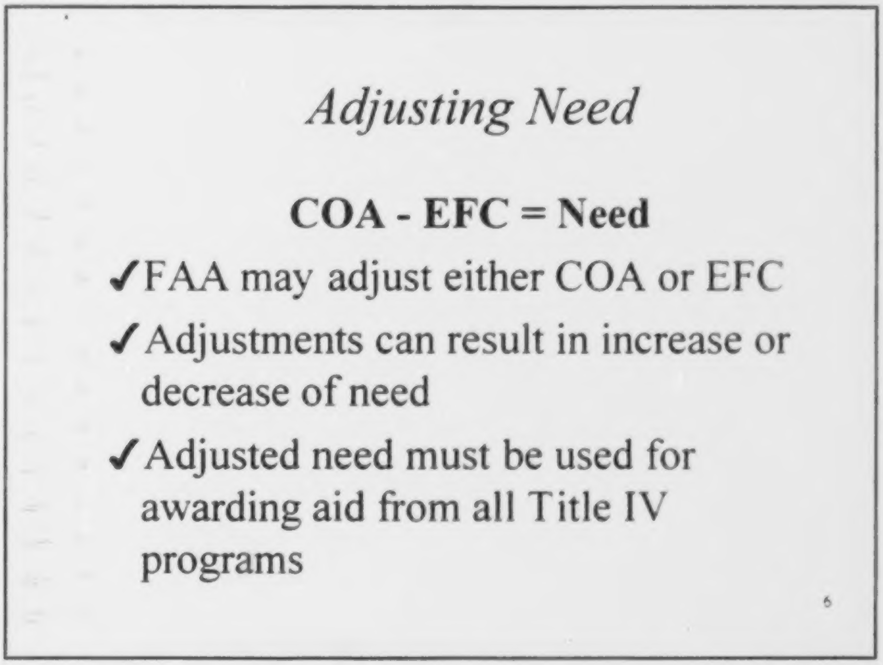
Transfer Students

Professional judgments differ from school to school, so you might not accept a decision made at another school.



School Policy

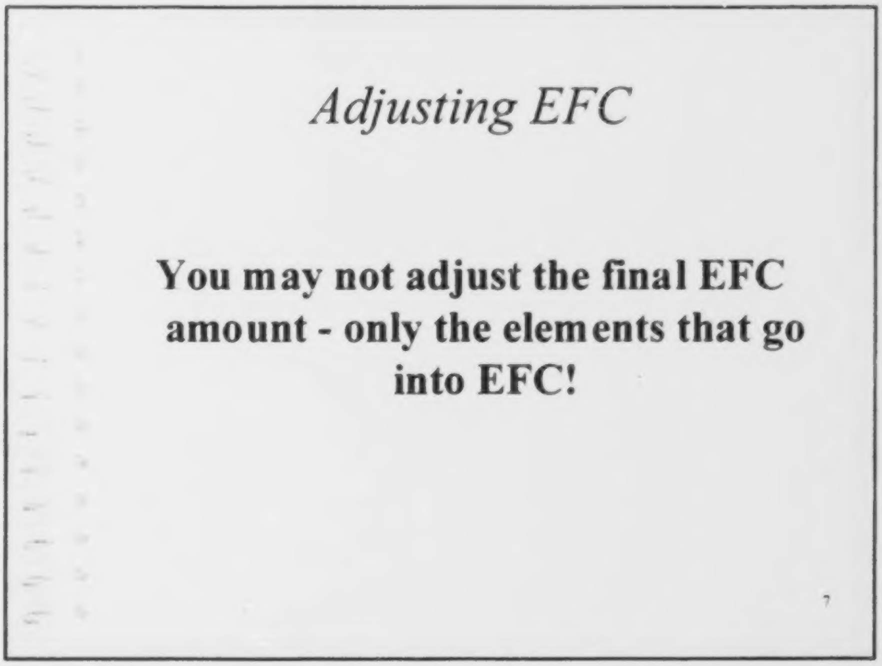
School policy and procedures manual should contain guidance on professional judgment to ensure consistency.



Adjusting Need

COA - EFC = Need

- ✓FAA may adjust either COA or EFC
- ✓Adjustments can result in increase or decrease of need
- ✓Adjusted need must be used for awarding aid from all Title IV programs



Adjusting EFC

You may not adjust the final EFC amount - only the elements that go into EFC!

EFC Adjustment - Paper

- ✓ **Use Part 2 of the SAR**
- ✓ **Enter change**
- ✓ **Check "FAA Adjustment" in "School Use Only" box**
- ✓ **Write in institutional code**
- ✓ **Sign form**
- ✓ **Mail to FAFSA processor**

EFC Adjustment - Electronic

- ✓ **Use EDExpress (or other software)**
- ✓ **Change data on ISIR**
- ✓ **Enter institutional code if not already listed with CPS**
- ✓ **Transmit to CPS**

*****Before moving to Steps 5 and 6, wait to receive new official EFC from CPS.*****

Session 11

Questions we will answer during this session:

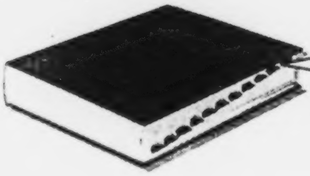
What are the key definitions to know regarding Pell?

How do you select a Pell Grant formula?

How do you calculate Pell Grants using Formulas 1 and 4?

What are some special considerations regarding Pell?

What are the key definitions to know regarding Pell?



Academic Year
vs.
Award Year

Academic Year:

Statutory Definition of an Academic Year		
Academic Progress Measured By:	**Minimum Completion Requirement***	**Minimum Instructional Time Requirement**
Semester hours	24 semester hours	30 weeks
Trimester hours	24 trimester hours	30 weeks
Quarter hours	36 quarter hours	30 weeks
Clock hours	900 clock hours	30 weeks

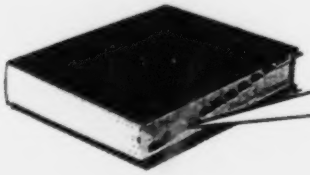
* Number of hours that a student enrolled full time is expected to complete in a full academic year.

- While the above are minimum required definitions of academic year, the actual length of instructional time in weeks or hours may be more or less than the definitions.

Award Year:

- July 1 through June 30 each year
- Includes **all** weeks/terms when instruction occurs
  - school could have two-term academic year (fall/spring) with three-term award year (fall/spring/summer)

210



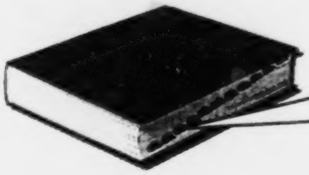
Standard Term vs. Nonstandard Term

Standard Term:

- semesters, trimesters, quarters
- full time = 12 credits/term

Nonstandard Term:

- any term that is not standard, like:
  - a summer with 6 credits as full time; or
  - a 15-week fall with 10 credits as full time



Scheduled Award vs. Annual Award

Scheduled Award:

- maximum Pell student can receive if enrolled full time for full academic year
- to calculate, use full-time payment schedule (page 4)
- student can receive just one per year

Annual Award:

- based on student's true enrollment status (full, 3/4, 1/2, < 1/2)
- to calculate, use payment schedule (page 4) if student full time; disbursement schedules (page 5-7) if student less than full time
- if student full time, scheduled award = annual award

Full Time

Federal Pell Grant Program

Regular Payment Schedule for Determining Full-Time Scheduled Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	550	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	650	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	750	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	850	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	950	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	1050	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	1150	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	1250	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1350	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1450	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1550	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1650	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1750	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1850	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1950	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	2050	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0	0
2100 - 2199	2150	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0	0
2200 - 2299	2250	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0	0
2300 - 2399	2350	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0	0
2400 - 2499	2450	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0	0
2500 - 2599	2550	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0	0
2600 - 2699	2650	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0	0
2700 - 2799	2750	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0	0
2800 - 2899	2850	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0	0
2900 - 2999	2950	2900	2800	2700	2600	2500	2400	2300	2200	2100	2000	1900	1800	1700	1600	1500	1400	1300	1200	1100	1000	900	800	700	600	500	400	400	400	0
3000 - 99999	3000	2950	2850	2750	2650	2550	2450	2350	2250	2150	2050	1950	1850	1750	1650	1550	1450	1350	1250	1150	1050	950	850	750	650	550	450	400	400	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

3/4 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining
Three-Quarter-Time Annual Awards in the 1998-99 Award Period

January 1998

	Expected Family Contribution																													
Cost of Attendance	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	413	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	488	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	563	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	638	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	713	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	788	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	863	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	938	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	1013	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	1088	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	1163	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	1238	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	1313	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	1388	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	1463	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1538	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1613	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1688	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0	0
2300 - 2399	1763	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0	0
2400 - 2499	1838	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0	0
2500 - 2599	1913	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0	0
2600 - 2699	1988	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0	0
2700 - 2799	2063	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0	0
2800 - 2899	2138	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0	0
2900 - 2999	2213	2175	2100	2025	1950	1875	1800	1725	1650	1575	1500	1425	1350	1275	1200	1125	1050	975	900	825	750	675	600	525	450	400	400	400	0	0
3000 - 99999	2250	2213	2138	2063	1988	1913	1838	1763	1688	1613	1538	1463	1388	1313	1238	1163	1088	1013	938	863	788	713	638	563	488	413	400	400	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining Half-Time Annual Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	425	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	475	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	525	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	575	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	625	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	675	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	725	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	775	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	825	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	875	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	925	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	975	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	1025	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	1075	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	1125	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2300 - 2399	1175	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2400 - 2499	1225	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0	0
2500 - 2599	1275	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0	0
2600 - 2699	1325	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0	0
2700 - 2799	1375	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0	0
2800 - 2899	1425	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0	0
2900 - 2999	1475	1450	1400	1350	1300	1250	1200	1150	1100	1050	1000	950	900	850	800	750	700	650	600	550	500	450	400	400	400	400	400	0	0	0
3000 - 99999	1500	1475	1425	1375	1325	1275	1225	1175	1125	1075	1025	975	925	875	825	775	725	675	625	575	525	475	425	400	400	400	400	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

< 1/2 Time

Federal Pell Grant Program

Regular Disbursement Schedule for Determining
Less-Than-Half-Time Annual Awards in the 1998-99 Award Period

January 1998

Cost of Attendance	Expected Family Contribution																													
	0 To 0	1 To 100	101 To 200	201 To 300	301 To 400	401 To 500	501 To 600	601 To 700	701 To 800	801 To 900	901 To 1000	1001 To 1100	1101 To 1200	1201 To 1300	1301 To 1400	1401 To 1500	1501 To 1600	1601 To 1700	1701 To 1800	1801 To 1900	1901 To 2000	2001 To 2100	2101 To 2200	2201 To 2300	2301 To 2400	2401 To 2500	2501 To 2600	2601 2700	2701 2800	2801 9999
0 - 99	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100 - 199	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
200 - 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300 - 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400 - 499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500 - 599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600 - 699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700 - 799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800 - 899	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900 - 999	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000 - 1099	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100 - 1199	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1200 - 1299	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1300 - 1399	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1400 - 1499	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1500 - 1599	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1600 - 1699	413	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1700 - 1799	438	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1800 - 1899	463	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1900 - 1999	488	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2000 - 2099	513	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2100 - 2199	538	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2200 - 2299	563	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2300 - 2399	588	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	0
2400 - 2499	613	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0
2500 - 2599	638	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0	0
2600 - 2699	663	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0	0
2700 - 2799	688	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0	0
2800 - 2899	713	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0	0
2900 - 2999	738	725	700	675	650	625	600	575	550	525	500	475	450	425	400	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0
3000 - 99999	750	738	713	688	663	638	613	588	563	538	513	488	463	438	413	400	400	400	400	400	400	400	400	0	0	0	0	0	0	0

! Important: schools with tuitions and fees lower than $300 must use the alternate schedule for students in the cells outlined above.

BEST COPY AVAILABLE

Checkpoint #1: Scheduled vs. Annual Awards

Using the charts on pages 4 through 7, calculate Benito's scheduled award and annual award.

Name: Benito

EFC: 700

COA: $10,323

Enrollment Status: 3/4 time for the entire academic year

Benito's Scheduled Award is ____________________.

Benito's Annual Award is ____________________.

How do you select a Federal Pell Grant formula?

Selecting Federal Pell Grant Formulas

Formula 1	Formula 2	Formula 3*	Formula 4	Formula 5
Credit-Hour Programs			**Credit or Clock-Hour Programs**	**Correspondence Study****
Standard terms (academic calendar = 2 semesters/trimesters or 3 quarters) May include summer as long as full time is 12 credits		Nonstandard terms or standard terms	Credit hours without terms or any clock-hour programs	Correspondence coursework
2 semesters/trimesters or 3 quarters offered in fall through spring		Academic calendar may be offered in any time frame	Academic calendar may be offered in any time frame	Schedule for submission of lessons based on 12 hours per week (nonterm) **or** 30 hours per semester/trimester **or** 20 hours per quarter
No overlapping terms		Terms may overlap	Not applicable	Not applicable
At least 30 weeks of instructional time in fall through spring terms***	**Less than** 30 weeks of instructional time in fall through spring terms***	Academic calendar may be more, less, or equal to 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time	Academic calendar may be more or less than 30 weeks of instructional time
Full-time ≥ 12 credit hours for **every** term in the award year		**Standard term:** Full-time ≥ 12 credit hours **Nonstandard term:** Full-time is calculated according to regulatory formula 690.63(d)	(Full-time Payment Schedule is always used, award is adjusted based on scheduled hours)	(Half-time Disbursement Schedule is always used)

* For a summer mini-session, use Formula 3.

** Refers to correspondence only; awards for any residential portion are calculated using Formula 3 or Formula 4, as applicable

*** Under certain circumstances the U.S. Department of Education (ED) may grant a school permission to use an academic year of fewer than 30 weeks. In such cases, the number of weeks of instruction used to determine the formula type is the reduced number approved by ED.

Checkpoint #2: Choosing a Pell Grant Formula

1) Alexandria State University defines its academic year as 30 weeks and two terms (fall and spring). The actual length of each term is 14 weeks of instructional time; full time is 12 credits per term. Alexandria offers a summer term with full-time as 12 credits.

Which formula(s) apply to the programs at this school?

____

2) Julian Institute defines its academic year as 30 weeks and two terms (fall and spring). Each term is 15 weeks of instructional time; full time is 12 credits per term. Julian offers two summer mini-sessions, with full time as 6 credits for each separate session.

Which formula(s) apply to the programs at this school?

____

3) New West College defines its academic year as 30 weeks and three quarters (fall, winter, and spring). Each quarter is 10 weeks of instructional time; full time is 12 credits per term. New West offers a summer session in which full time is 12 credits.

Which formula(s) apply to the programs at this school?

____

4) Horizon Technical College defines its academic year as 30 weeks and 24 credit hours. There are no terms used.

Which formula(s) apply to the programs at this school?

____

How do you calculate Pell Grants using Formula 1?

FORMULA 1

Standard-term, credit-hour programs, with 30 weeks of instructional time (or waiver applies)

Enrollment for at least 12 credit hours each term required for full-time status

Program terms do not overlap

Academic calendar includes 2 semesters/trimesters (fall and spring) or 3 quarters (fall, winter, and spring).

Fall through spring terms equal at least 30 weeks of instructional time, or at least 26 weeks of instructional time if the program was granted a waiver of the minimum 30-week academic year requirement

STEP 1: Determine Enrollment Status

Full time, three-quarter time, half time, or less than half time

STEP 2: Calculate Pell COA

Full-time, full academic-year costs

STEP 3: Determine Annual Award

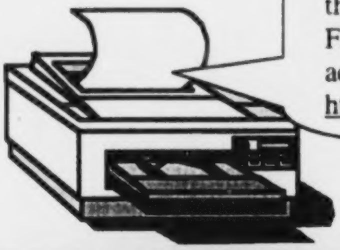
If the student's enrollment status is full-time, the annual award is taken from the full-time Payment Schedule (Scheduled Award). If the student's enrollment status is 3/4-time, 1/2-time, or less than 1/2-time, the annual award is taken from the appropriate part-time Disbursement Schedule.

STEP 4: Determine Payment Periods

Payment period is the academic term

STEP 5: Calculate Payment for a Payment Period

$$\frac{\text{Annual award}}{\text{Number of payment periods in the program's definition of academic year}}$$



Remember, this chart, the charts on pages 4 through 7, and anything else you find in the Federal Student Financial Aid Handbook, can be accessed and printed. Just go to the Internet site http://ifap.ed.gov!!

BEST COPY AVAILABLE

Practice – Formula 1, Steps 1 to 3

O'Ryan College defines its academic year as 30 weeks and two terms (fall and spring). Each term has 15 weeks; full time is 12 credits per term.

Bill is enrolled for 12 credits in each term. His EFC is 375, while his cost of attendance is $3,350.

Step 1: Enrollment Status

Fall Enrollment: full 3/4 1/2 <1/2

Spring Enrollment: full 3/4 1/2 <1/2

Step 2: COA

Step 3: Annual Award

Bill's COA = $__________

Bill's Annual Award = $_________

Janet is enrolled in the same program as Bill. She is enrolled for 12 credits in the fall, and 6 credits in the spring. Her EFC is 1,050.

Step 1: Enrollment Status

Fall Enrollment: full 3/4 1/2 <1/2

Spring Enrollment: full 3/4 1/2 <1/2

Step 2: COA

Step 3: Annual Award

Janet's COA = $________

Janet's fall annual award =
$_______________
Janet's spring annual award =
$_______________

Practice – Formula 1, Steps 4 and 5

Student: Bill
Fall Award: $2,650
Spring Award: $2,650

Step 4: Payment Periods

Bills payment periods are ______________________

Step 5: Payment per Payment Period

Fall (annual award ÷ 2) $______________________

Spring (annual award ÷ 2) $____________________

Student: Janet
Fall Award: $1,950
Spring Award: $ 975

Step 4: Payment Periods

Janet's payment periods are ____________________

Step 5: Payment per Payment Period

Fall (annual award ÷ 2) $______________________

Spring (annual award ÷ 2) $____________________

Directions: Complete the 5 Pell calculation steps for the sample student below.

Case Study

Woodride College works on the quarter system. The school defines its academic year for all programs as 30 weeks and three quarters (fall, winter, and spring). Full time in each quarter is 12 credits

Larry is enrolled for 6 credits in each quarter. His Cost of Attendance is $3,350. His EFC is 150.

Step 1: Enrollment Status

Fall - ____________________

Winter - ____________________

Spring - ____________________

Step 2: COA

Larry's COA = $________________

Step 3: Annual Award

Fall Annual Award = $_________

Winter Annual Award = $_________

Spring Annual Award = $_________

Step 4: Payment Periods

Larry's Payment Periods are ______________________________.

Step 5: Payment per Payment Period

During each quarter, Larry will receive $____________________.

How do you calculate Pell Grants using Formula 4?

Formula 4

Clock-hour programs and credit-hour programs without terms

STEP 1: Determine Enrollment Status

At least half time or less than half time

STEP 2: Calculate Pell COA

Full-time, full academic year costs

Cost for program or period not equal to academic year prorated
Two fractions compared:

$$\frac{\text{Hours in program's definition of academic year}}{\text{Hours to which the costs apply}}$$

$$\frac{\text{Weeks of instructional time in program's definition of academic year}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

STEP 3: Determine Annual Award

Always taken from full-time Payment Schedule (equal to Scheduled Award)

STEP 4: Determine Payment Periods

Length of payment period measured in credit or clock hours.

Minimum of 2 equal payment periods required for programs shorter than an academic year, or 2 equal payment periods in each full academic year (or final portion longer than half an academic year) for programs longer than or equal to an academic year.

FORMULA 4 (cont'd)

STEP 5: Calculate Payment for a Payment Period

Annual award is multiplied by two fractions:

(1) Annual award x the lesser of

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in program's definition of academic year}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in academic year}}{\text{Weeks of instructional time in program's definition of academic year}}$$

OR

One (1)

(2) The results of (1) are then multiplied by

$$\frac{\text{Hours in a payment period}}{\text{Hours in program's definition of academic year}}$$

A single disbursement may not exceed 50% of the annual award

Practice – Formula 4, Steps 1 and 2

Tiptoe School of Ballet defines its academic year for all programs as 900 clock hours and 30 weeks.

Helen's program is 800 clock hours and 24 weeks of instructional time. Her COA is $5,538, and her EFC is 375. Helen is enrolled for 30 clock hours per week.

Step 1: Enrollment Status

Helen's enrollment status is: ____ at least 1/2 ____ less than 1/2

Step 2: COA

Multiply COA by lesser of two fractions below:

# of hours in program's definition of academic year*	
# of hours of actual instructional time	

*statutory minimum 24 semester or trimester hours, 36 quarter hours, or 900 clock hours

# of weeks in program's definition of academic year**	
# of weeks of actual instructional time	

**statutory minimum of 30 weeks

COA of program		Lesser of two fractions		Pell Grant COA
$	X		=	$

Practice – Formula 4, Step 3

Student:	Helen
Enrollment:	At least 1/2 time
Pell COA:	$6,230

Step 3: Annual Award

Helen's Annual Award: $____________

Checkpoint #2: Payment Periods

Jill and Phyllis attend a school with an academic year of 900 clock hours and 30 weeks.

Jill's program is 1500 clock hours long and 50 weeks. The payment periods for the first academic year are:

_____________hours & ______________hours

The payment periods for the second academic year are:

_____________hours & _____________hours

Phyllis is enrolled in a program that requires 2000 hours to complete. The payment periods are:

_____________ hours & ______________hours Year 1

_____________ hours & ____________ hours Year 2

_____________hours & ____________ hours Year 3

Practice – Formula 4, Step 4

Now, back to Helen.

So far, we've determined the following: (see page 18)

Enrollment Status: ______________

Pell COA: ______________

Annual Award: ______________

Remember, Helen's program is 800 clock hours and 24 weeks of instructional time.

Step 4: Determine Payment Periods

______________hours & ______________hours

Practice – Formula 4, Step 5

Step 5: Payment per Payment Period

Determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program
Weeks of instructional time in program's definition of academic year (30 statutory minimum)

Weeks of instructional time for a full-time student to complete *hours* in the definition of academic year**
Weeks of instructional time in program's definition of academic year

**24 credit *hours*, 36 quarter *hours*, or 900 clock *hours*

Determine the adjusted annual award:

(lesser of two fractions above or 1)

(Annual Award) $__________ X ——— = (A)

Calculate payment per payment period:

(A) X Hours in payment period / Hours in program's def. of academic year = $

Helen receives two payments totaling $__________ for her program, enabling her to reach her artistic dream.

232

Case Study

Computer Training College (CTC) offers an 840-clock-hour certificate program that most full-time students complete in 28 weeks of instructional time. The academic year is defined as 900 clock hours and 30 weeks. The cost of attendance for this program is $9,807.

Zoe Marshall plans to attend CTC for this program. She has an EFC of 168. She will attend 30 clock hours per week. Please complete Steps 1 through 5 to calculate Zoe's Pell payments.

Step 1: Enrollment Status

Zoe's enrollment status is ________________.

Step 2: Cost of Attendance

Given COA - **$9,807**

Proration ratio fractions (choose lesser):

$$\frac{\text{Hours in program's definition of academic year } \underline{900}}{\text{Hours of actual instructional time } \_\_\_\_}$$

$$\frac{\text{Weeks in program's definition of academic year } \underline{30}}{\text{Weeks of actual instructional time } \_\_\_\_}$$

$9,807 X ______________ = $__________ (Pell COA)

Lesser of two fractions

Step 3: Annual Award

Zoe's annual award = $____________

Summary of Steps 1 – 3: Zoe

Enrollment Status: ☐

Pell COA: $

Annual Award: $

Step 4: Determine Payment Periods

Zoe's program is 840 clock hours, which divides into two payment periods of _________ clock hours each.

Step 5: Payment per Payment Period

Determine the fractions:

Weeks of instructional time for a full-time student to complete hours in the program	
Weeks of instructional time in program's definition of academic year	30

Weeks of instructional time for a full-time student to complete hours in the definition of academic year	30
Weeks of instructional time in program's definition of academic year	30

Determine the adjusted annual award:

(Annual Award) $_________ X ☐ / ☐ = ☐ (A)

Lesser of the two fractions or 1.

Calculate payment per payment period:

(A) ☐ X ☐ Hours in payment period / 900 Hours in program's def. of academic year = $ & $

PP1: Round up

PP2: Round down

What are some special considerations regarding Pell?

Crossover Payment Periods

- If payment period crosses award years, school may pay student from either award year. However, if 6 months of a payment period fall in one award year, funds must be paid from that award year.
- For instance, payment period starts in May, ends in August; pay student from either award year.

Transfer Students

- If student transfer during award year, student can still only get one Scheduled Award. To figure out how much student can get at new school:

  1) calculate percentage of scheduled award student received at first school
  2) subtract that percentage from 100%
  3) calculate scheduled award for new school
  4) only award student for percentage remaining

- Example:

  Scheduled Award at School A is $1,000. Student receives $600 before transferring (60% of scheduled award).

  At School B, scheduled award is $1200. Student only eligible for 40% of that award, or $480.

Recalculating Pell

- Must recalculate if EFC changes due to verification, corrections, updating, or professional judgment.
- Must recalculate if student's enrollment status changes from one term to another.
- Otherwise, recalculation is optional.

Answer Key

Checkpoint #1: Scheduled vs. Annual Awards

Benito's Scheduled Award is **$2,350**.
Benito's Annual Award is **$1,763**.

Checkpoint #2: Choosing a Pell Grant Formula

1) **Formula 2 or 3**
2) **Formula 3** (unless you combine the summer terms to form one 12-credit term; then Formula 1 would work, too)
3) **Formula 1 or 3**
4) **Formula 4**

Practice – Formula 1, Steps 1 to 3

Bill
Step 1: Fall and Spring enrollment – **full time**
Step 2: COA - **$3,350**
Step 3: Annual Award – $**2,650**

Janet
Step 1: Fall – **full time**; Spring – **half time**
Step 2: COA - **$3,350**
Step 3: Fall Annual Award - **$1,950**
Spring Annual Award - **$975**

Practice – Formula 1, Steps 4 and 5

Bill
Step 4: **Fall and Spring** are payment periods
Step 5: **$1,325** for each term

Janet
Step 4: **Fall and Spring** are the payment periods
Step 5: **$975** for Fall; **$488** for Spring

Answer Key (cont'd)

Case Study – Larry

Step 1: **1/2 time** for full year
Step 2: COA - **$3,350**
Step 3: Annual Award - **$1,425/quarter**
Step 4: **Each quarter is a payment period**
Step 5: **$475/quarter**

Practice – Formula 4, Steps 1 and 2

Step 1: **full time**
Step 2: $5,538 X (900/800) = **$6,230**

Practice – Formula 4, Step 3

Step 3: **$2,650**

Checkpoint #2 – Payment Periods

Jill
First year: **2 payment periods of 450 clock hours each**
Second year: **2 payment periods of 300 clock hours each**

Phyllis
First year: **2 payment periods of 450 clock hours each**
Second year: **2 payment periods of 450 clock hours each**
Third year: **1 payment period of 200 clock hours**

Practice – Formula 4, Step 4

Step 4: **Two payment periods of 400 clock hours each**

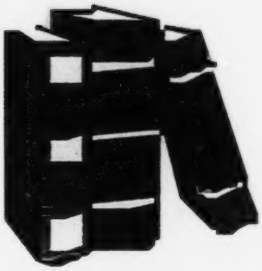
Practice – Formula 4, Step 5

Step 5: Adjusted Annual Award – $2,650 X (24/30) = **$2,120**
Payment per Payment Period - $2,120 X (400/900) = **$943, $942**

Answer Key (cont'd)

Case Study – Zoe

Step 1: **at least half time**
Step 2: $9,807 X (30/28) or (900/840) = **$10,508**
Step 3: **$2,850**
Step 4: **Two payment periods of 420 clock hours**
Step 5: Adjusted Annual Award - $2,850 X (28/30) = **$2,660**
Payment per Payment Period - $2,660 X (420/900) = **$1,242 (P.P. 1) and $1,241 (P.P. 2)**

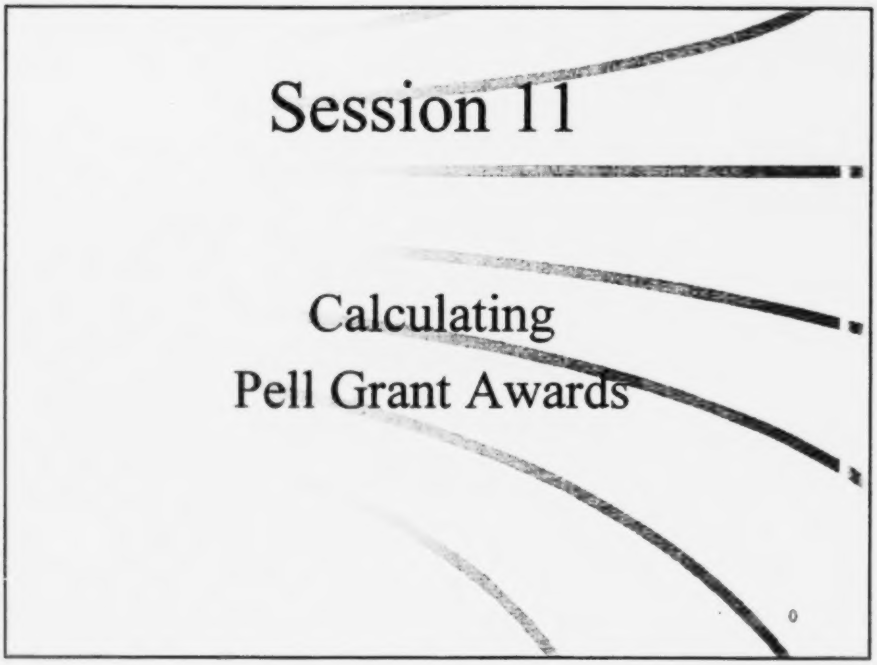


Resources

★ The 1998-99 Federal Student Financial Aid Handbook, Chapter 4

★ 34 CFR 690

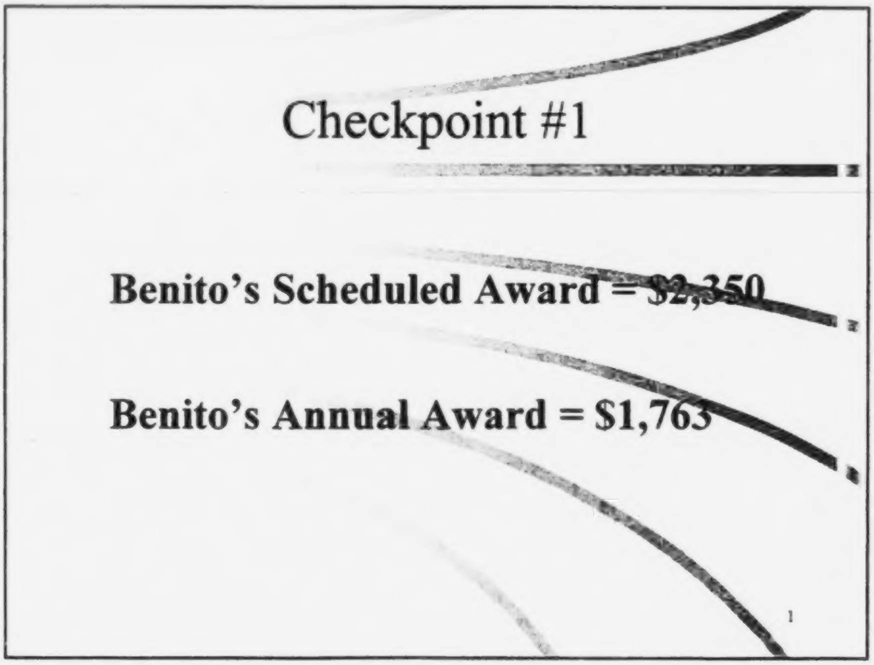
★ Dear Colleague Letter P-98-2 (Pell Payment Schedules)



Session 11

Calculating
Pell Grant Awards

0



Checkpoint #1

Benito's Scheduled Award = $2,350

Benito's Annual Award = $1,763

1

Note

Nonterm schools only use the full-time payment schedule

Term-based schools must use the appropriate payment or disbursement schedule (full, 3/4, 1/2, <1/2)

Formula 1

- Standard-term, credit hour program
- At least 30 weeks of actual instructional time in the program
- Every term in *award year* requires 12 credits for full time

Formula 2

- Standard-term, credit hour program
- Fewer than 30 weeks of actual instructional time in the program
- Every term in *award year* requires 12 credits for full time

Formula 3

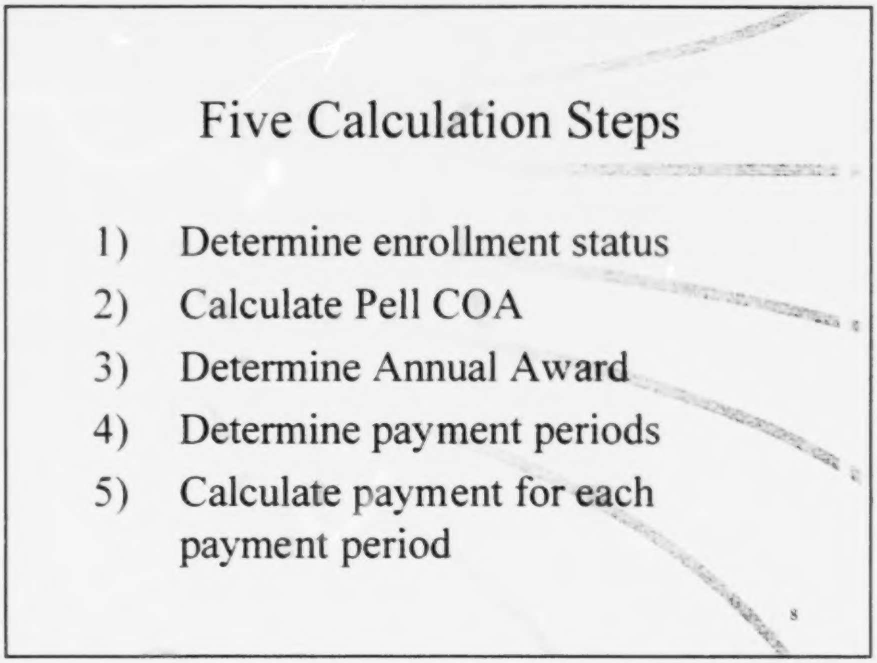
- Standard or nonstandard term, credit-hour program
- Either fewer, greater, or equal to 30 weeks of actual instructional time

Formula 4

All clock-hour programs and any credit-hour programs without terms

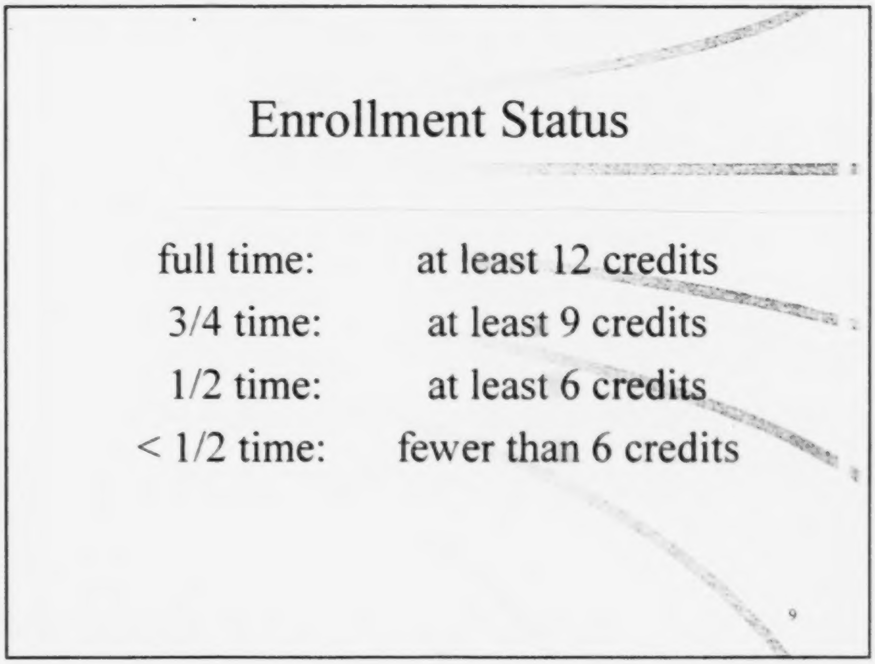
Choosing a Formula

Once you choose for a program, you must calculate Pell for every student in that program for entire award year using that formula.



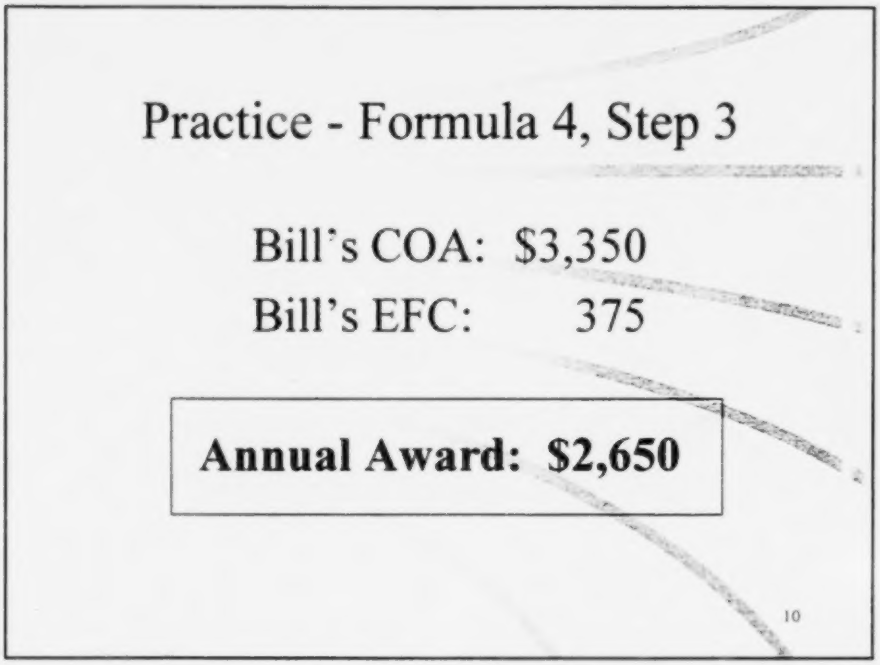
Five Calculation Steps

1) Determine enrollment status
2) Calculate Pell COA
3) Determine Annual Award
4) Determine payment periods
5) Calculate payment for each payment period



Enrollment Status

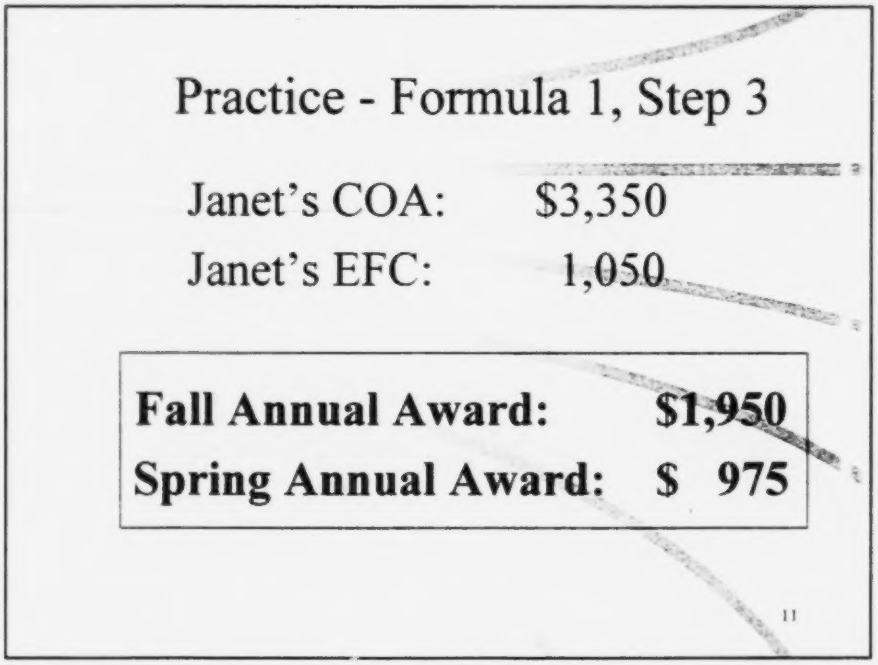
full time:	at least 12 credits
3/4 time:	at least 9 credits
1/2 time:	at least 6 credits
< 1/2 time:	fewer than 6 credits



Practice - Formula 4, Step 3

Bill's COA: $3,350
Bill's EFC: 375

Annual Award: $2,650



Practice - Formula 1, Step 3

Janet's COA: $3,350
Janet's EFC: 1,050

Fall Annual Award: $1,950
Spring Annual Award: $ 975

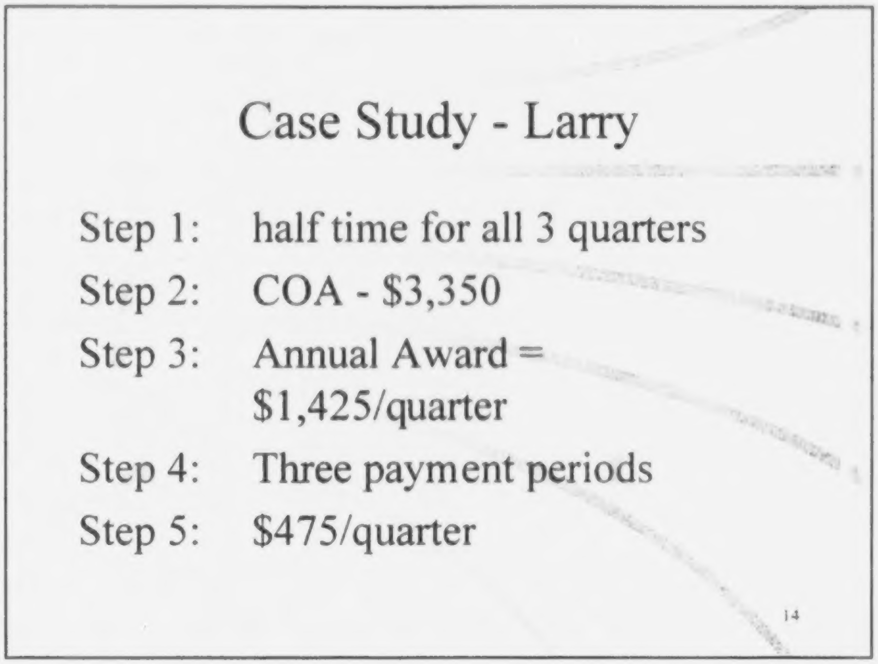
Step 5: Payment per Payment Period

$$\frac{\text{Annual Award}}{\text{\# of payment periods in academic year}}$$

Practice - Formula 1, Step 5

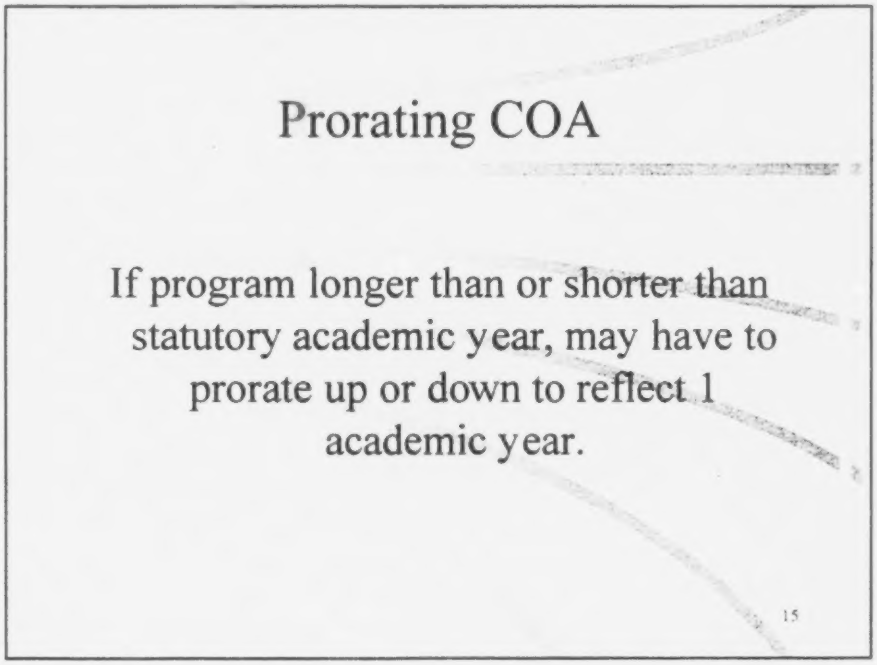
Bill - $1,325 for each term

Janet - $975 for fall
$488 for spring



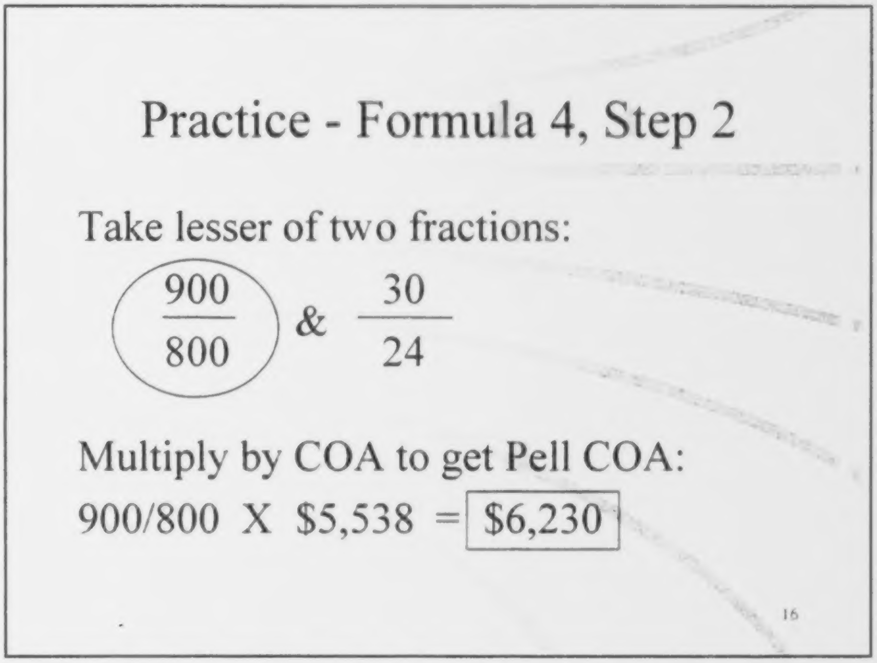
Case Study - Larry

Step 1:	half time for all 3 quarters
Step 2:	COA - $3,350
Step 3:	Annual Award = $1,425/quarter
Step 4:	Three payment periods
Step 5:	$475/quarter



Prorating COA

If program longer than or shorter than statutory academic year, may have to prorate up or down to reflect 1 academic year.



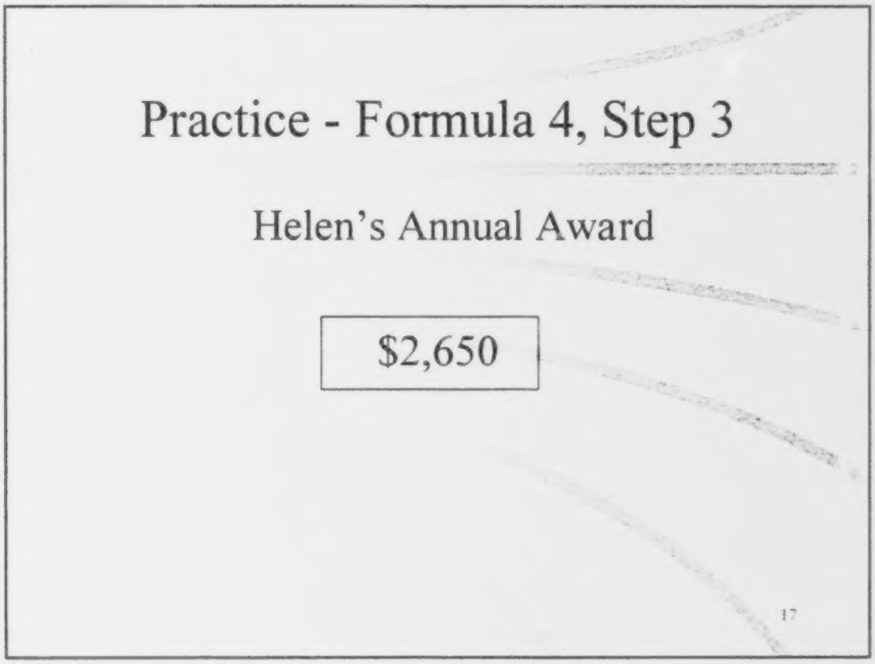
Practice - Formula 4, Step 2

Take lesser of two fractions:

$$\frac{900}{800} \quad \& \quad \frac{30}{24}$$

Multiply by COA to get Pell COA:

$$900/800 \text{ X } \$5{,}538 = \boxed{\$6{,}230}$$



Practice - Formula 4, Step 3

Helen's Annual Award

$$\boxed{\$2{,}650}$$

Drill - Determining Payment Periods

Jill

Year 1: 450 and 450

Year 2: 300 and 300

Phyllis

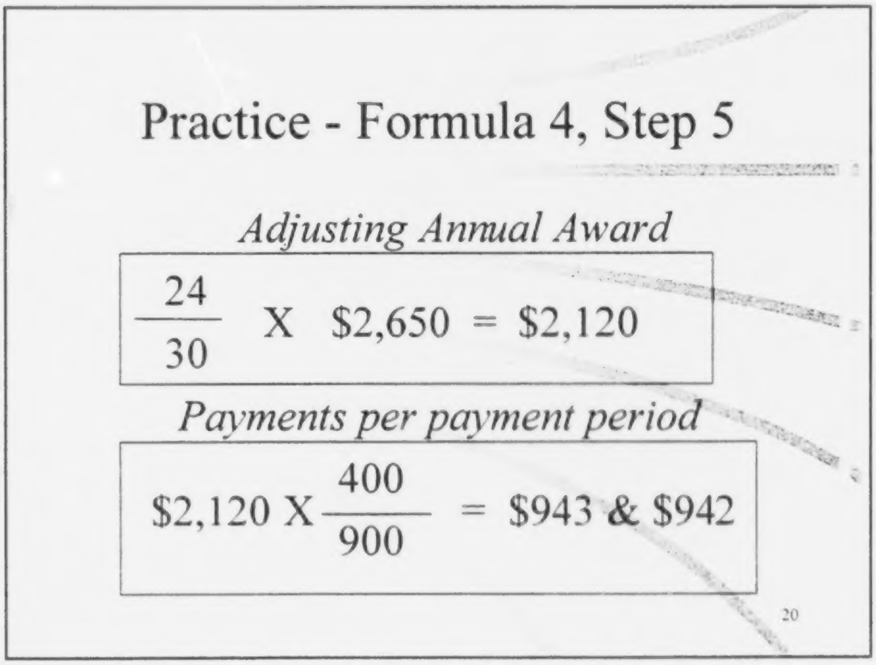
Year 1 & 2: 450 and 450

Year 3: 200

Practice - Formula 4, Step 4

Helen:

400	&	400



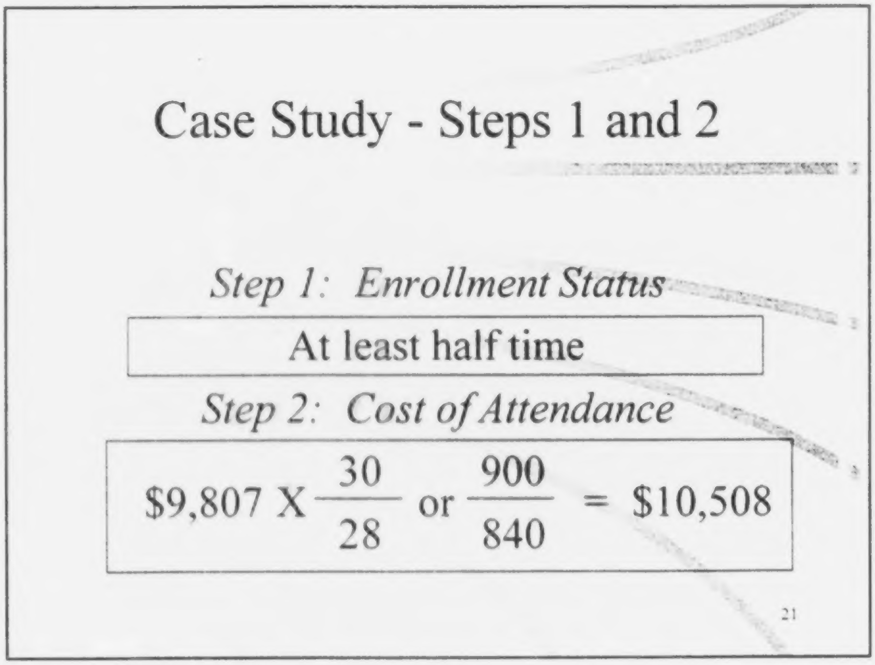
Practice - Formula 4, Step 5

Adjusting Annual Award

$$\frac{24}{30} \text{ X } \$2{,}650 = \$2{,}120$$

Payments per payment period

$$\$2{,}120 \text{ X } \frac{400}{900} = \$943 \ \& \ \$942$$



Case Study - Steps 1 and 2

Step 1: Enrollment Status

At least half time

Step 2: Cost of Attendance

$$\$9{,}807 \text{ X } \frac{30}{28} \text{ or } \frac{900}{840} = \$10{,}508$$

Case Study - Steps 3 and 4

Step 3: Determine Annual Award

$2,850

Step 4: Determine Payment Periods

2 payment periods of 420 clock hours

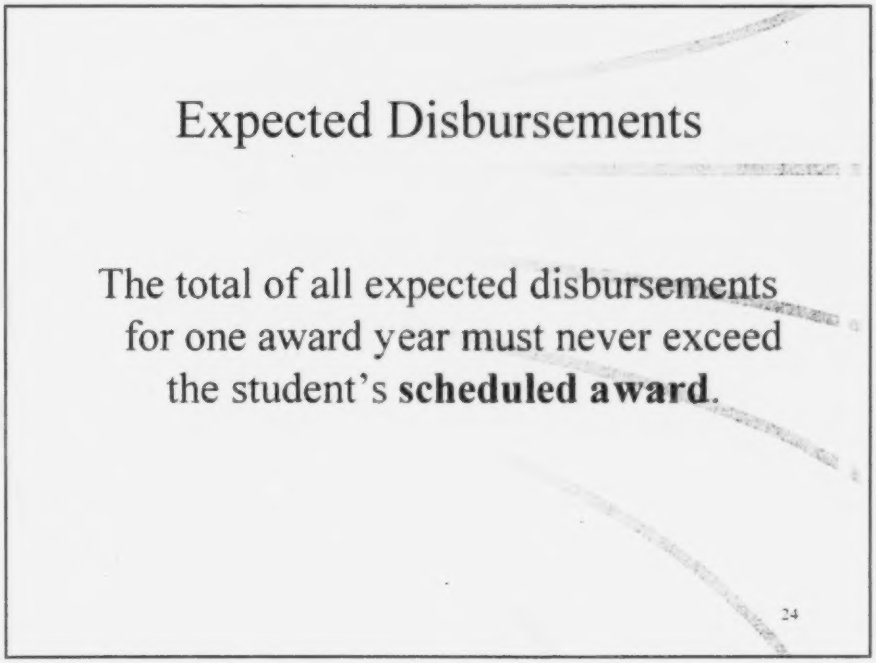
Case Study - Step 5

Adjusting Annual Award

$$\frac{28}{30} \text{ X } \$2,850 = \$2,660$$

Payments per payment period

$$\$2,660 \text{ X } \frac{420}{900} = \$1,242 \text{ \& } \$1,241$$



Expected Disbursements

The total of all expected disbursements for one award year must never exceed the student's **scheduled award**.

Session 12

Campus-Based Programs

Questions we will answer during this session:

What are the similarities among the campus-based programs?

What are the eligibility, funding, and administrative requirements of each of the campus-based programs?

What are the rules for transferring campus-based funds?

What are the similarities among the campus-based programs?

1. All three programs are administered by the school.

2. The school awards funds to students depending on, among other things, the amount of campus-based funds allocated to the school for that year.

3. The school applies for and reports on campus-based funds annually using the electronic Fiscal Operations Report and Application to Participate (FISAP).

4. Each year, the school must match federal funds with nonfederal funds.

5. The school is allowed to take out an Administrative Cost Allowance to help offset the costs of the campus-based programs.

Administrative Cost Allowance Calculation:

5% of the first $2,750,000 of expenditures

+ 4% of expenditures greater than $2,750,000 but less than $5,500,000

+ 3% of expenditures greater than $5,500,000

Checkpoint #1: Administrative Cost Allowance

A school expends $1,000,000 in FSEOG, $1,000,000 in Perkins, and $1,500,000 in Federal Work Study. Calculate the school's Administrative Cost Allowance.

Step 1: ________________ 5% of first $2,750,000 expended

Step 2: ________________ Amount above $2,750,000 but less than $5,500,000 expended

Step 3: ________________ 4% of Step 2

Step 4: ________________ Step 1 + Step 3

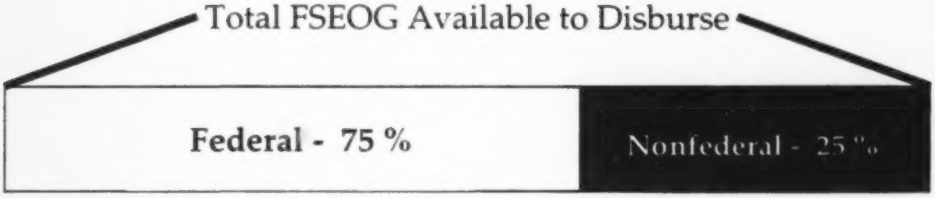
What are the eligibility, funding, and administrative requirements for each campus-based program?

Federal Supplemental Educational Opportunity Grants (FSEOG)

Minimum Award = **$100**

Maximum Award = **$4,000**

FSEOG Matching Requirements



Checkpoint #2: FSEOG Matching

A school receives $75,000 of federal FSEOG funds for the award year. (All ACA will be taken out of Perkins.)

1) **The total FSEOG available for the year is ______________.**

2) **The school's share will be ______________.**

Meeting the FSEOG Nonfederal Share

There are three methods by which schools may meet the nonfederal share of FSEOG: *individual-recipient*, *fund-specific*, or *aggregate*.

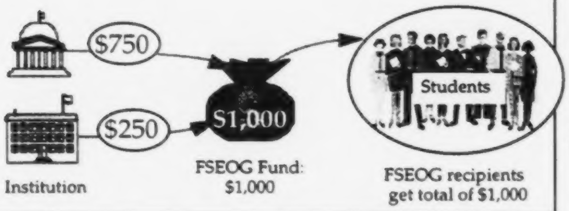
Individual Recipient
This method involves each individual student receiving 75% federal funds, and 25% nonfederal funds, in his or her FSEOG award.

Fund-specific
Using this method, the total funds disbursed to all students break down into 75% federal, and 25% nonfederal.

Aggregate
Both federal and nonfederal funds are grouped together, and all students receive some federal money, although not necessarily 75% of their award is federal.

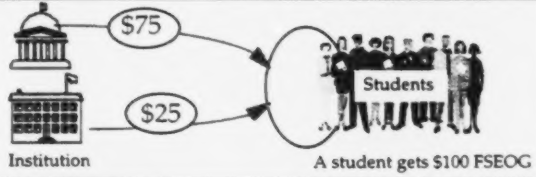
The following illustrates these three methods:

1



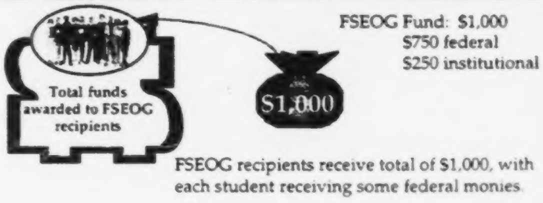
This is meeting the nonfederal share on the fund-specific basis.

2



This is meeting the nonfederal share on the individual-recipient basis.

3


Total funds awarded to FSEOG recipients
$1,000
FSEOG Fund: $1,000
$750 federal
$250 institutional
FSEOG recipients receive total of $1,000, with each student receiving some federal monies

This is meeting the nonfederal share on the aggregate basis.

Federal Work Study (FWS)

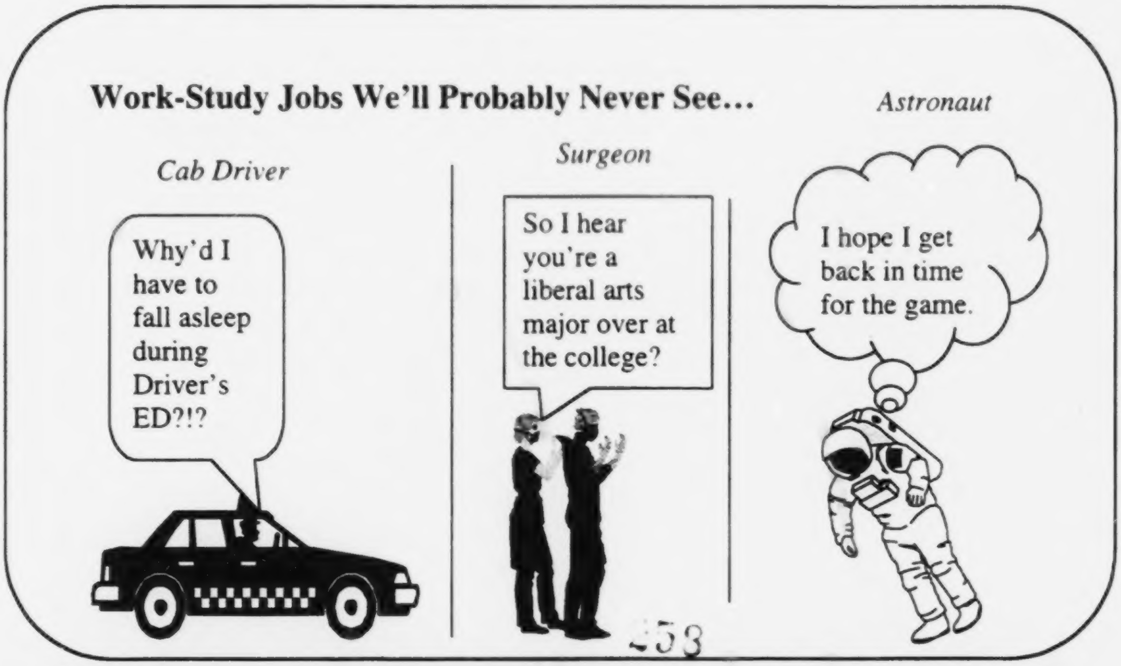
Gross Wages
- Job-related expenses
- Any taxes that will not be refunded to the student

STUDENT'S NET EARNINGS

Federal Work Study Job Descriptions

Job descriptions for FWS jobs must contain the following:

- name, address of student's employer
- purpose of student's job
- student's duties and responsibilities
- job qualifications
- job's wage rate or range
- length of student's employment
- name of student's supervisor


Work-Study Jobs We'll Probably Never See...
Cab Driver
Why'd I have to fall asleep during Driver's ED?!?
Surgeon
So I hear you're a liberal arts major over at the college?
Astronaut
I hope I get back in time for the game.

FWS Community Service Requirement

A school must expend at least 5% of its FWS federal allocation to pay students employed in community-service jobs. If the school later receives a supplemental allocation, then the school must expend the greater of 5% of the new total allocation and the amount of the supplemental allocation to pay students in community service jobs.

To be sure 5% is **expended**, you should **award** more than 5%, in case some students decide not to take the jobs.

✓ Checkpoint #3 – Community Service

Scenario A: A school receives $500,000 initial FWS allocation and $30,000 supplemental FWS allocation.

How much must the school expend to meet the community service requirement?

Scenario B: A school receives $250,000 initial FWS allocation and $10,000 supplemental FWS allocation.

How much must the school expend to meet the community service requirement?

FWS Matching Requirements

Private, for-profit
FWS employment

Federal - 50 % | Nonfederal – 50%

Any other
FWS employment

Federal - 75 % | Nonfederal – 25%

A school can pay the nonfederal share using its own funds, outside funds from an off-campus agency, or both.

- Also, the school has the option of paying the student the nonfederal share in the form of noncash contributions of services and equipment (tuition and fees, room and board, and books).

Remember, the federal share must be paid directly to the student!

Case Study

Directions: In the following scenario, find the four mistakes the school is making.

Sutton College receives a federal allocation of Federal Work Study funds in the amount of **$600,000**. FWS is Sutton College's only campus-based program.

None of the FWS jobs available to Sutton's students are with private, for-profit organizations. With that in mind, the business office at Sutton calculates the required nonfederal match at **$200,000**. The total available to pay students is therefore **$800,000**.

Assuming they will expend the full $800,000, the school then anticipates its Administrative Cost Allowance as **$32,000**.

Not forgetting the community service requirement, Sutton officials decide that they must expend **$30,000**. So, they send award letters to potential FWS students to offer FWS jobs that would pay out **$30,000** over the course of the year.

One of the jobs, tutoring professors' young children in a reading program, is set up for **$4.50/hour**. The school decides that this program will serve both as part of the America Reads Challenge and the expenditures to pay students will help meet Sutton's 5% community service requirement.

Circle the 4 mistakes and correct them below.

1)

2)

3)

4)

Federal Perkins Loan Program

*Annual Maximum - **$3,000** undergrad; **$5,000** grad*
*Aggregate Maximum - **$15,000** undergrad; **$30,000** grad*
*(aggregate for grad **includes** undergrad amount)*

Perkins Matching Requirements

Total Allocation

Federal Capital Contribution - 75 %

Institutional Capital Contribution - 25%

You can think of the ICC is as 1/3 of the FCC, or 1/4 of the total allocation.

Example:

FCC : $3,000	ICC: $1,000 (1/3 of FCC) (1/4 of Total)	Total: $4,000

Perkins Loan Counseling

When counseling Perkins borrowers before disbursing the money, include the following:

- *The loan must be repaid;*
- *The borrower has certain rights and responsibilities; and*
- *The money can only be used for educational purposes.*

Also, you're encouraged to provide other helpful information to students, including:

- *Preliminary debt counseling on total debt and repayment terms;*
- *Advising students to keep all records pertaining to the loan, including repayment records; and*
- *Reminding students to inform the school of any changes in addresses, names, or other information.*

Before we discuss your loan debt, is there anything I can offer you?

FEDERAL PERKINS LOAN DEFERMENT PROVISIONS†

DEFERMENT CONDITION	Federal Perkins/NDSL Disbursed on or after 07/01/93	Federal Perkins Disbursed before 07/01/93 & on or after 07/01/87	NDSL Disbursed before 07/01/93 & on or after 10/01/80	NDSL Disbursed before 10/01/80
Half-time enrollment	No limit*	No limit*	No limit*	No limit*
Rehabilitation training	No limit*	N/A	N/A	N/A
Graduate fellowship study [1]	No limit*	N/A	N/A	N/A
Eligible internship or residency program	N/A	2 years [2]*	2 years [3]*	N/A
Inability to secure full-time employment	3 years*	N/A	N/A	N/A
Economic hardship [4]	3 years*	N/A	N/A	N/A
Hardship as determined by school	N/A	No limit**	No limit**	No limit**
Law enforcement/correction officer	see footnote 5*	N/A	N/A	N/A
Peace Corps/ACTION program volunteer	see footnote 5*	3 years*	3 years*	3 years*
Full-time volunteer for tax-exempt organization in service comparable to Peace Corps or ACTION	N/A	3 years*	3 years*	N/A
U.S. Armed Service	see footnote 5*	3 years*	3 years*	3 years*
Officer in Commissioned Corps of U.S. Public Health Service	N/A	3 years*	3 years*	N/A
National Oceanic and Atmospheric Admin. Corps	N/A	3 years*	N/A	N/A
Nurse/medical technician providing health services	see footnote 5*	N/A	N/A	N/A
Temporary total disability or care for temporarily totally disabled spouse/dependent	N/A	3 years*	3 years [6]*	N/A
Pregnancy, care of newborn or newly adopted child [7]	N/A	6 months*	N/A	N/A
Mother of pre-schooler working or returning to work [8]	N/A	1 year*	N/A	N/A
Employment in Head Start Program	see footnote 5*	N/A	N/A	N/A
Teacher in designated low-income school	see footnote 5*	N/A	N/A	N/A
Teacher of special education, including teacher of infants, toddlers, children, or youth with disabilities [9]	see footnote 5*	N/A	N/A	N/A
Provider of early intervention services [10]	see footnote 5*	N/A	N/A	N/A
Teacher of mathematics, science, foreign languages, bilingual education, or other field of expertise determined by the state education agency to have a shortage of qualified teachers	see footnote 5*	N/A	N/A	N/A
Provider or supervisor of provision of services to high-risk children from low-income communities and their families [11]	see footnote 5*	N/A	N/A	N/A

***Principal need not be paid, and interest does not accrue.**
****Principal and interest may be deferred, but interest continues to accrue.**

† Notes follow on the next page.

Federal Perkins Loan Deferment Provisions

The chart on the previous page is to be used for reference only. Refer to Part E of the Higher Education Act and 34 CFR Part 674, Sections 674.33 through 674.39 (which the chart and provisions summarize) if you have any questions about a particular borrower's eligibility for loan deferment.

1. A deferment request from a borrower enrolled in a graduate or postgraduate fellowship-supported program outside of the U.S. is approved until the completion of the fellowship period.
2. The internship program must require that the borrower have a bachelor's degree before being admitted. In addition, the program must be required by a state licensing agency for certification for professional practice or service, or the program must lead to a postgraduate degree or certificate from a postsecondary school, hospital, or health-care facility.
3. The internship program must require that the borrower have a bachelor's degree before being admitted. The program must be required by the state licensing agency for certification for professional practice or service.
4. A borrower is considered to have an economic hardship if the borrower:
   a. Is working full-time but earning an amount that does not exceed (the greater of):
      1) the federal minimum wage *or*
      2) an amount equal to 100% of the poverty line for a family of two as determined according to section 673(2) of the Community Service Block Grant Act **OR**
   b. meets other regulatory criteria that take into account the borrower's debt-to-income ratio as a primary factor.
5. Deferment is for a period in which the borrower is engaged in service eligible for Federal Perkins Loan cancellation.
6. Applies to borrower or care of spouse only. Does not allow deferment for the care of a temporarily totally disabled dependent.
7. Borrower must not be attending an eligible postsecondary institution or be gainfully employed. Deferment must begin within 6 months after the borrower ceased to be enrolled at least half time at an eligible institution.
8. Borrower's salary must not be more than $1 over the minimum hourly wage rate.
9. Infants, toddlers, children, and youth with disabilities are defined in Section S 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.
10. Must be employed in a public or nonprofit program under public supervision. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.
11. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of Title I of the Elementary and Secondary Act of 1965.

Federal Perkins Loan Cancellation Conditions†

CANCELLATION CRITERIA	Federal Perkins/ National Direct Loans Made on or after 07/23/92	Federal Perkins Loans Made Prior to 07/23/92	National Direct Loan Made Prior to 07/23/92	National Defense Loan
Total and permanent disability or death of borrower	100%	100%	100%	100%
Full-time employment in a Head Start Program [1]	100%	100%	100%	N/A
Full-time law enforcement or correction officer[2]	100%	100% [3]	100% [3]	N/A
Full-time teaching in low-income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981 [2/5]	100%	100%	100%	100% [6]
Full-time special education teacher, including teacher of infants, toddlers, children, or youth with disabilities [4/7]	100%	N/A	N/A	N/A
Provider of early intervention services in a public or nonprofit program under public supervision [2/8]	100%	N/A	N/A	N/A
Full-time teacher of handicapped services in a public or nonprofit elementary/secondary school	N/A	100% [4]	100% [4]	100% [6]
Full-time teacher of mathematics, science, foreign languages, bilingual education, or any field of expertise determined by the state education agency to have a shortage of qualified teachers[4]	100%	N/A	N/A	N/A
Provider or supervisor of provision of services to high-risk children from low-income communities and their families [2/9]	100%	N/A	N/A	N/A
Nurse or medical technician providing health care service[4]	100%	N/A	N/A	N/A
Peace Corps or ACTION Program volunteer [10]	70% - Perkins (N/A - Natl Direct Loan)	70%	N/A	N/A
Service in U.S. Armed Forces	50% [11]	50% [11]	50% [11]	50% [12]
Full-time teaching in public/nonprofit elementary/secondary school, institution of higher education or overseas U.S. Department of Defense elementary/secondary school	N/A	N/A	N/A	50% [13]
Bankruptcy [14]	in some cases	in some cases	in some cases	in some cases

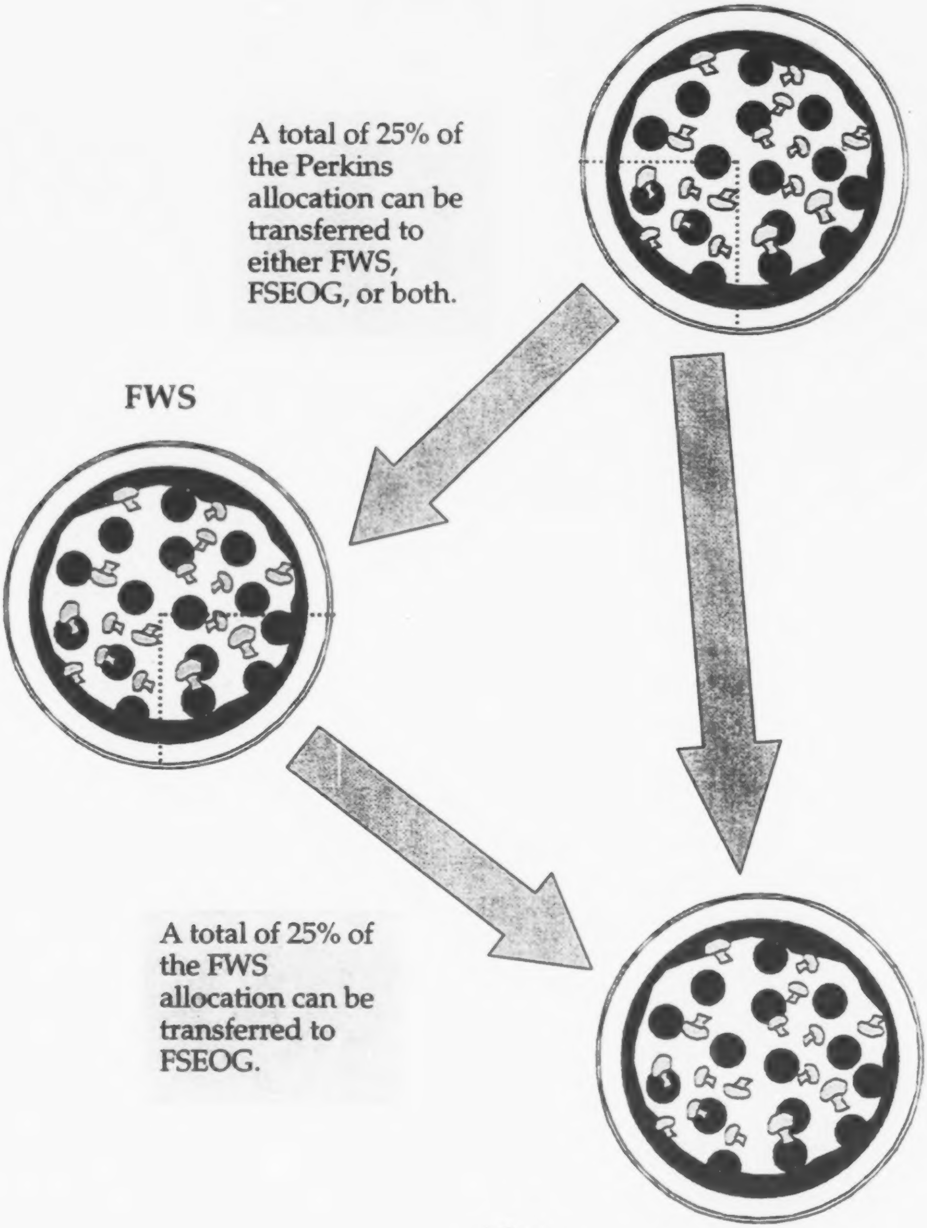
†Notes follow on the next page.

Federal Perkins Loan Cancellation Conditions

This chart is to be used for reference only. Refer to Part E of the Higher Education Act and 34 CFR Part 674, Subpart D, (which the chart and provisions summarize) if you have any questions about a particular borrower's eligibility.

1. Cancellation rate is 15% per year.
2. Cancellation rate is 15% per year for first and second years; 20% per year for third and fourth years; and 30% for fifth year.
3. Applies only to loans made on or after 11/29/90.
4. Cancellation rate is 15% per academic year for first and second years; 20% per academic year for third and fourth years; and 30% for fifth academic year.
5. If borrower teaches at a school that does not qualify as a low-income school in a subsequent year, the borrower remains eligible for loan cancellation as long as the borrower continues to teach full-time at the school.
6. Cancellation rate is 15% per academic year.
7. Infants, toddlers, children, and youth with disabilities are defined in Section 602(a)(1) and 672(1) of the Individuals with Disabilities Education Act.
8. A qualified professional provider of early intervention services is defined in Section 672(2) of the Individuals with Disabilities Education Act.
9. Must be employed in public or nonprofit child or family services agency. High-risk children are defined as individuals under the age of 21 who: are low-income; have been or are at risk of being abused or neglected; have serious emotional, mental, or behavioral disturbances; reside in placements outside of their homes; or are involved in the juvenile justice system. Low-income communities are defined as those communities in which there is a high concentration of children eligible to be counted under Chapter 1 of the Elementary and Secondary Education Act of 1965.
10. Cancellation applies only to Federal Perkins Loans; it does not apply to National Direct Student Loans. Cancellation rate is 15% per year for first and second years; 20% per year for third and fourth years.
11. Military service must be in an area that qualifies for hazardous-duty pay. Cancellation rate is 12.5% per year of qualifying service.
12. Cancellation rate is 12.5% per year of consecutive service.
13. Cancellation rate is 10% per academic year.
14. Loan is cancelled only if collection is discharged by a bankruptcy court. If the loan is not ultimately discharged in bankruptcy, it again becomes the borrower's obligation.

What are the rules for transferring campus-based funds?



Perkins

A total of 25% of the Perkins allocation can be transferred to either FWS, FSEOG, or both.

FWS

A total of 25% of the FWS allocation can be transferred to FSEOG.

FSEOG

Checkpoint #4 – Transferring Funds

Sal's School of Pizza Design is allocated $200,000 for the Perkins program, $100,000 for the FWS program, and $50,000 for FSEOG.

Sal's FAA decides to transfer the maximum allowable into FSEOG from the other programs.

1) What will remain of the Perkins allocation? ________________

2) What will remain of the FWS allocation? ______________

3) What will be the new FSEOG amount? __________

4) If the FAA wanted to, how much could he transfer from FSEOG into one of the other programs? ________________

Answer Key

Checkpoint #1: Administrative Cost Allowance

Step 1: $137,500
Step 2: $750,000
Step 3: $ 30,000
Step 4: $167,500

Checkpoint #2: FSEOG Matching

1) $100,000 2) $ 25,000

Checkpoint #3: Community Service

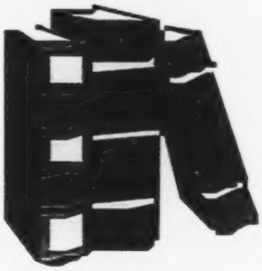
Scenario A: $30,000 Scenario B: $13,000

Case Study

1) The ACA is actually **$40,000** (5% of the $800,000)
2) Awarding exactly 5% of the federal allocation for community service jobs may not be sufficient, since students may turn down the jobs. Remember, the school must *expend* 5%, so they should **award more than 5%.**
3) The wage of the job is below federal minimum wage of **$5.15**.
4) The program described **does not count as a community service program** because it is not open to the entire community, only school employees. It does, however, still count as a reading tutor program for the America Reads Challenge, and therefore requires no nonfederal match.

Checkpoint #4: Transferring Funds

1) $150,000 2) $75,000 3) $125,000 4) $0



Resources

- ★ The 1998-99 Federal Student Financial Aid Handbook, Chapters 5-8
- ★ 34 CFR 673-676
- ★ Dear Colleague Letter CB-98-6 (Family Literacy Programs)
- ★ Dear Colleague Letter CB-98-2 (1998-99 Electronic FISAP)

State Commissions for National and Community Service

Alabama
Ms. Elaine Wiggins
Alabama National and Community Service State Commission
Governor's Office
The State House, Suite 224
Montgomery, AL 36104
Phone: 334-242-7174 Fax: 334-242-2885

Alaska
Ms. Michelle Anderson
Alaska State Community Service Commission
Department of Community and Regional Affairs
153rd Street
Juneau, AK 99811
Phone: 907-465-4756 Fax: 907-465-2948

Arizona
Ms. Michelle Lyons-Mayer
Arizona National and Community Service Commission
1700 West Washington Street, Suite 101C
Phoenix, AZ 85007
Phone: 602-542-3461 Fax: 602-542-3520

Arkansas
Ms. Betty Hicks
Arkansas Commission on National and Community Service
Donaghey Plaza South, 7th and Main Streets, Suite 1300
Little Rock, AR 72201
Phone: 501-682-6717 Fax: 501-682-1623
Email: arcns@aol.com

California
Dr. Linda Forsyth
California Commission on Improving Life Through Service
1121 L Street, Suite 600
Sacramento, CA 95814
Phone: 916-323-7646 Fax: 916-323-3227
Email: LFORSYTH@CA.OCDE.GOV

Colorado
Mr. Greg Geissler
Colorado State Commission
1313 Sherman, Suite 500
Denver, CO 80203
Phone: 303-866-4900 Fax: 303-866-4992

Connecticut
Ms. Sandy Santy
Connecticut Commission on National and Community Service
Department of Higher Education
61 Woodland Street
Hartford, CT 06105
Phone: 203-566-6154 Fax: 203-566-7865
Email: wpfellowship@apollo.commnet.edu

Delaware
Mr. Vollie Melson
Delaware Commission on National and Community Service
Carvel State Office Building, Fourth Floor
820 North French Street
Wilmington, DE 19801
Phone: 302-577-6650 Fax: 302-577-6828
Email: DECNCS@aol.com

District of Columbia
Ms. Yvonne Walker
D.C. Commission on National and Community Service
Office of Policy and Evaluation
441 Fourth Street, NW, Suite 920 South
Washington, DC 20001
Phone: 202-727-6979 Fax: 202-727-3765

Florida
Mr. Bill Bentley
Florida Governor's Commission on Community Service
The Bloxham Building, Suite 109
725 South Calhoun Street
Tallahassee, FL 32301
Phone: 904-921-5172 Fax: 904-921-5146
Email: tabatha-burn-mcmahon@flcomsrvc.win.nat

Georgia
Ms. Lynn Thornton
Georgia Commission on National and Community Service
2020 Equitable Building
100 Peachtree Street
Atlanta, GA 30303
Phone: 404-657-7827 Fax: 404-657-7835
Email: gcncs@mindspring.com

Hawaii
Mr. Isaac Watson
Hawaii State Commission on National and Community Service
335 Merchant Street, Room 101
Honolulu, HI 96813
Phone: 808-586-8675 Fax: 808-586-8685

Idaho
Ms. Kelly Houston
Idaho Commission for National and Community Service
500 South Tenth Street
P.O. Box 83720
Boise, ID 83720-0018
Phone: 208-332-8274 Fax: 208-334-3635

Illinois
Ms. Jeanne Bradner
Illinois Commission on Community Service
Department of Commerce and Community Affairs
100 West Randolf, Suite 3-400
Chicago, IL 60601
Phone 312-814-5940Fax: 312-814-7236

Indiana
Mr. Joe Smith
Indiana Commission on Community Service
302 West Washington Street, Room E220
Indianapolis, IN 46204
Phone: 317-233-4273 Fax: 317-233-5660
Email: Amy_Warner_@_DWD_Ul@ima.isd.state.in.us

Iowa
Ms. Barbara Finch
Iowa Commission on Community Service
150 East Des Moines Street
Des Moines, IA 50309
Phone: 515-281-9043 Fax: 515-281-9033

Kansas
Ms. Patricia Kells
Kansas Commission on National and Community Service
200 SW 6th Street
P.O. Box 889
Topeka, KS 66603
Phone: 913-234-1423 Fax: 913-234-1429
Email: pkells@smtpgw.ksbe.state.ks.us

Kentucky
Mr. Dwen Chester
Kentucky Community Service Commission
State Office Building, Room 923
501 High Street
Frankfort, KY 40622
Phone: 502-564-5330 Fax: 502-564-7987
Email: fwbowen@dotsob.kytrans.kytc.state.ky.us

Louisiana
Ms. Sara Sims
Louisiana Service Commission
263 Third Street, Suite 610
Baton Rouge, LA 70802
Phone: 504-342-2038 Fax: 504-342-0106

Maine
Ms. Maryalice Crofton
Maine Commission on National and Community Service
Maine State Planning Office/State House
184 State Street - Station #38
Augusta, ME 04333
Phone 207-287-5300Fax: 207-287-6489
Email: mccs@state.me.us

Maryland
Dr. Marilyn W. Smith
Governor's Commission on Service
300 West Preston Street, Sixth Floor
State Office Building
Baltimore, MD 21201
Phone: 410-225-1216 Fax: 410-333-5957
Email: ms247@umail.umd.edu

Massachusetts
Ms. Kate Mehr
Massachusetts National and Community Service Commission
87 Summer Street, Fourth Floor
Boston, MA 02110
Phone: 617-542-2544 Fax: 617-542-0240
Email: 1021072315@compuserve.com

Michigan
Mr. Frank Dirks
Michigan Community Service Commission
111 South Capitol Avenue - Olds Plaza Building, Fourth Floor
Lansing, MI 48909
Phone: 517-335-4295 Fax: 517-373-4977

Minnesota
Ms. Mary Jo Richardson
Minnesota Commission on National and Community Service
683 Capitol Square Building
Saint Paul, MN 55101
Phone: 612-296-1435 Fax: 612-296-3348
Email: MARYJO.RICHARDSON@state.mn.us

Mississippi
Ms. Marsha Meeks Kelly
Mississippi Commission for National and Community Service
3825 Ridgewood Road
Jackson, MS 39211-6543
Phone: 601-982-6738 Fax: 601-982-6790
Email: mkelly@ihl.state.ms.us

Missouri
Mr. Curtis Hendricks
Missouri Commission on Community Service
c/o Lieutenant Governor's Office, Capitol Building
210 West Capitol Avenue, Room B-14B
Jefferson City, MO 65101
Phone: 573-751-0382 Fax: 573-751-9612

Montana
Ms. Mary Blake
Montana Community Services Advisory Council
State Capitol, Room 219
Helena, MT 59620
Phone 406-444-5547Fax: 406-444-4418
Email: cg2077%zip02@mt.gov

Nebraska
Mr. Thomas Miller
Nebraska Commission for National and Community Service
State Capitol, Sixth Floor
P.O. Box 98927
Lincoln, NE 68509
Phone: 402-471-6225 Fax: 402-471-6286
Email: ncncs@aol.com

Nevada
Ms. Karen LaBat
Nevada Commission for National and Community Service
200 South Third Street, Suite 448
Las Vegas, NV 89155
Phone: 702-486-2730 Fax: 702-486-2733

New Hampshire
Mr. Tim Dupree
New Hampshire Commission on National and Community Service
64 Old Suncook Road
Concord, NH 03301
Phone: 603-229-3406 Fax: 603-229-3408
Email: tdupree@MWHITE.MV.COM

New Jersey
Ms. Rowena Madden
New Jersey Commission on National and Community Service
c/o New Jersey Department of Education
Office of Innovative Programs
100 Riverview Plaza, CN 500
Trenton, NJ 08625
Phone: 609-633-9629 Fax: 609-633-9825

New Mexico
Mr. Jack Ortega
New Mexico Commission for National and Community Service
Children Youth and Family Department
1120 Paseo de Paralta
Santa Fe, NM 87501
Phone: 505-827-8019 Fax: 505-827-9978

New York
Ms. Nikki Smith
New York Commission on National and Community Service
State Capitol, Room 254
Division of the Budget
Albany, NY 12224
Phone: 518-473-8882 Fax: 518-486-1217
Email: PROGRAM.AMERICORPS@budget. mailnet.state.NY.US

North Carolina
Ms. Jacquie Kennedy
North Carolina State Commission on National and Community Service
North Carolina Governor's Office of Citizen Affairs
121 West Jones Street.
Raleigh, NC 27603
Phone: 919-715-3470 Fax: 919-715-2972

Ohio
Ms. Kitty Burcsu
Governor's Community Service Commission
51 North High Street, Suite 481
Columbus, OH 43215
Phone: 614-728-2916 Fax: 614-728-2921
Email: 76702.2246@compuserve.com

Oklahoma
Ms. Nancy Deaver
Oklahoma Community Service Commission
1515 North Lincoln
Oklahoma City, OK 73104
Phone: 405-235-7278 Fax: 405-235-7036
Email: okcom@aol.com

Oregon
Ms. Marlis Miller
Oregon Commission for National and Community Service
Portland State University/CSC — Neuberger Hall
724 Southwest Harrison, P.O. Box 751
Portland, OR 97207-0751
Phone: 503-725-5903 Fax: 503-725-8335
Email: marlism@nh1.nh.pdx.edu

Pennsylvania
Ms. Karen S. Fleisher
PennSERVE: The Governor's Office of Citizen Service
Department of Labor and Industry
1304 Labor and Industry Building
Seventh and Forster Streets
Harrisburg, PA 17120
Phone: 717-787-1971 Fax: 717-787-9458

Puerto Rico
Dr. Jorge Luis Reyes
Puerto Rico State Commission of Community Service
La Fortaleza
San Juan, PR 00901
Phone: 809-721-7877 Fax: 809-725-3598
Email: ive99cesc@aol.com

Rhode Island
Mr. David Karoff
Rhode Island Commission for National and Community Service
P. O. Box 72822
441 Pine Street
Providence, RI 02907
Phone: 401-331-2298 Fax: 401-331-2273
Email: ricncs@aol.com

South Carolina
Ms. Jean Moore
South Carolina Commission on National and Community Service
Governor's Office on Volunteerism
1205 Pendelton Street, Room 422
Columbia, SC 29201
Phone: 803-734-1118 Fax: 803-734-2495

Tennessee
Ms. Carol White
Tennessee Commission on National and Community Service
Andrew Jackson Building
500 Deaderick Street, 14th Floor
Nashville, TN 37243
Phone: 615-532-9250 Fax: 615-532-6950

Texas
Ms. Alejandra Fernandez, Acting
Texas Commission on Volunteerism and Community Service
Stephen F. Austin Building
P. O. Box 78701 (1700 North Congress, Suite 310)
Austin, TX 78711-3385
Phone: 512-463-1814 Fax: 512-463-1861
Email: jandri@commish.serve.state.tx.us

Utah
Mr. Michael Call
Utah Commission on Volunteerism
1409 North Research Way, Suite J-1204
Orem, UT 84097
Phone: 801-764-9504 Fax: 801-765-0637
Email: mcall@Email.state.ut.us

Vermont
Ms. Jane Williams
Vermont Commission on National and Community Service
133 State Street
Montpelier, VT 05633-4801
Phone: 802-828-4982 Fax: 802-828-4988

Virginia
Ms. B. J. Northington
Virginia Commission on National and Community Service
Governor's Office of Volunteerism
730 East Broad Street, Ninth Floor
Richmond, VA 23219
Phone: 804-692-1952 Fax: 804-692-1999

Washington
Mr. Bill Basl
Washington Commission on National and Community Service
Insurance Building, Room 140
Olympia, WA 98504-3113
Phone: 360-753-1814 Fax: 360-586-5281
Email: BillB@OFM.WA.GOV

West Virginia
Ms. Jean Ambrose
West Virginia Commission for National and Community Service
1 United Way Square
Charleston, WV 25301
Phone: 304-340-3627 Fax: 304-340-3629
Email: jambrose@wnpb.wvnet.edu

Wisconsin
Ms. Martha Kerner
Wisconsin National and Community Service Board
101 East Wilson Street, Sixth Floor
Madison, WI 53702
Phone: 608-266-2125 Fax: 608-267-6931
Email: kernem@mail.state.wi.us

Wyoming
Ms. Beverly Morrow
Wyoming Commission for National and Community Service
Herschler Building, First Floor West
122 West 25th Street, Room 1608
Cheyenne, WY 82002
Phone: 307-777-5396 Fax: 307-638-8967
Email: SMTP:BMORRO@missc.state.wy.us

Session 12

Campus-Based Programs

Campus-Based Programs

Federal Supplemental Educational Opportunity Grant (FSEOG)

Federal Work Study (FWS)

Federal Perkins Loan Program

BEST COPY AVAILABLE

Checkpoint #1: ACA

Step 1:	$137,500
Step 2:	$750,000
Step 3:	$ 30,000
Step 4:	$167,500

FSEOG Eligibility

- **Undergraduates**
- **No previous degree**
- **Exceptional need**
  - **Priority to Pell recipients with lowest EFCs**

Checkpoint #2:
FSEOG Matching

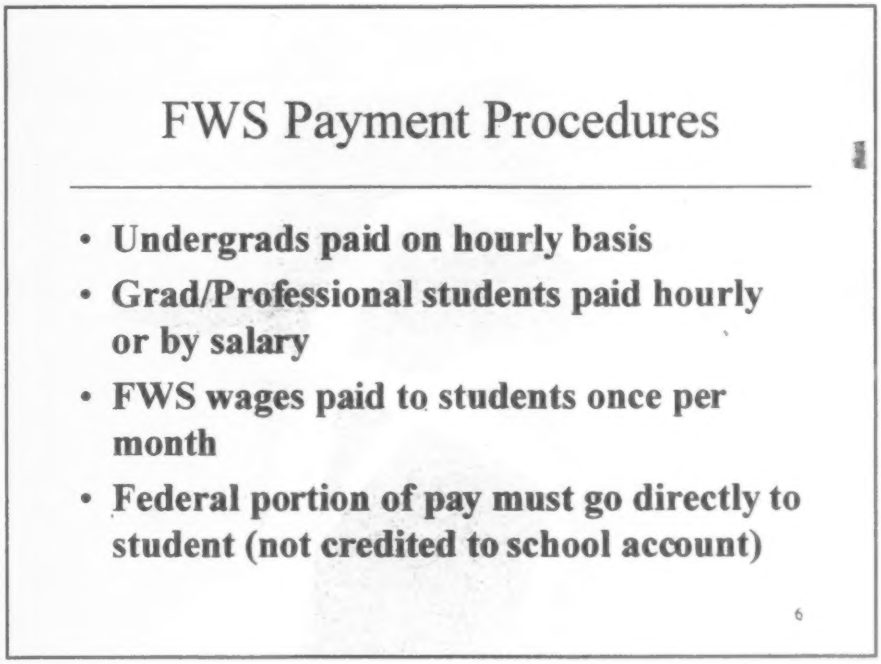
1) **Total FSEOG for year: $100,000**

2) **School's share: $25,000**

FWS Employment Requirements

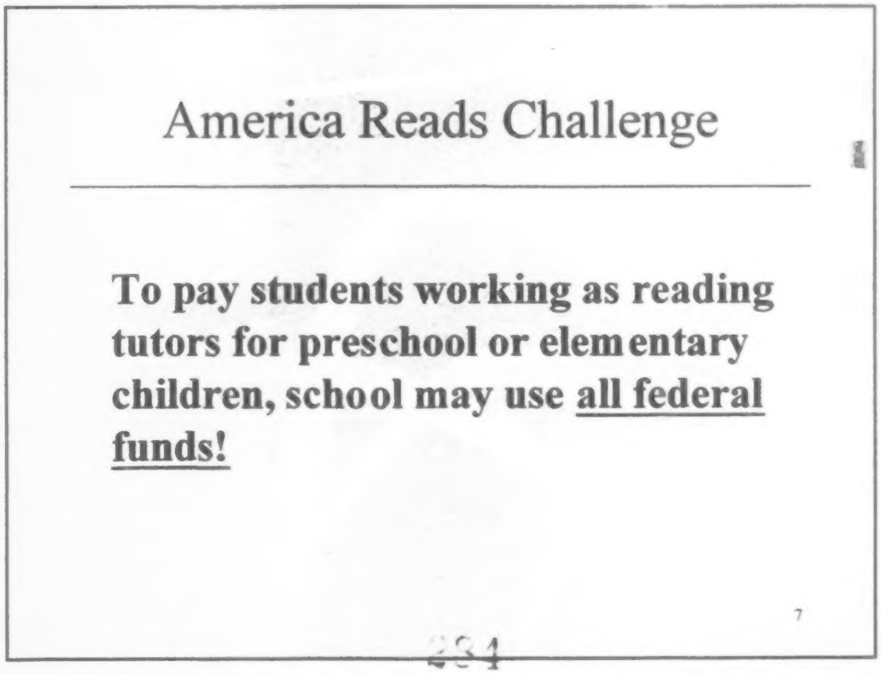
- **Must pay minimum wage - $5.15/hr**
- **FWS workers must not displace regular workers**
- **Job can't involve constructing, operating, or maintaining building used for religious activities**

[redacted]



FWS Payment Procedures

- Undergrads paid on hourly basis
- Grad/Professional students paid hourly or by salary
- FWS wages paid to students once per month
- Federal portion of pay must go directly to student (not credited to school account)



America Reads Challenge

To pay students working as reading tutors for preschool or elementary children, school may use all federal funds!

Family Literacy Program

- **FWS students tutor children in variety of subjects**
- **Matching requirement waived**
- **Details in *Dear Colleague Letter CB-98-6***

Perkins Loans Eligibility

- **For undergrad, grad, or professional student**
- **5% interest rate**
- **Priority to students with exceptional need**
  - **May adopt same definition as FSEOG**

BEST COPY AVAILABLE

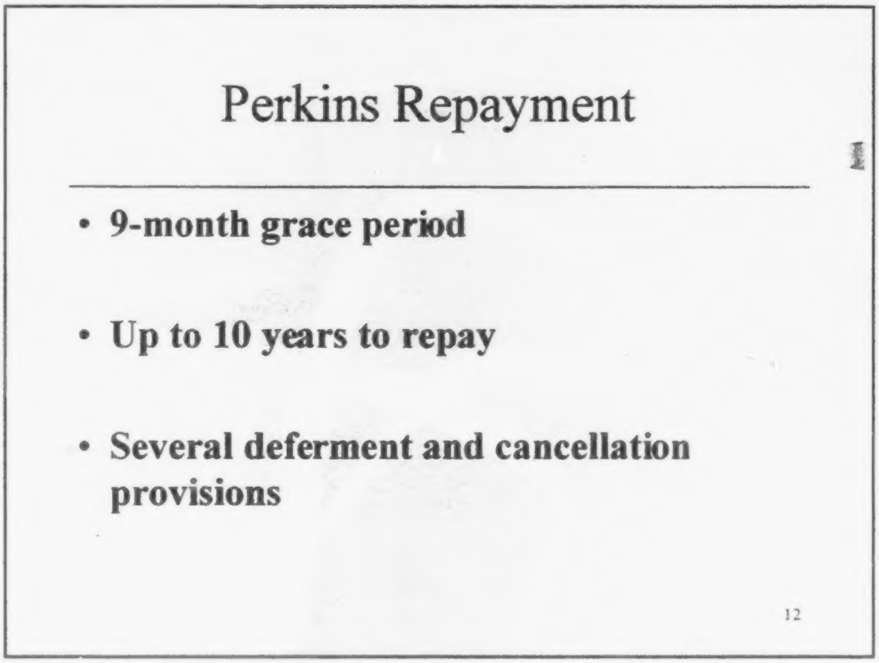
Source of Perkins Funds

- **FCC and ICC**
- **Borrower repayments**
- **Collection charges**
- **Funds from ED to cover loan cancellations**
- **Other income, like interest**

Perkins Promissory Notes

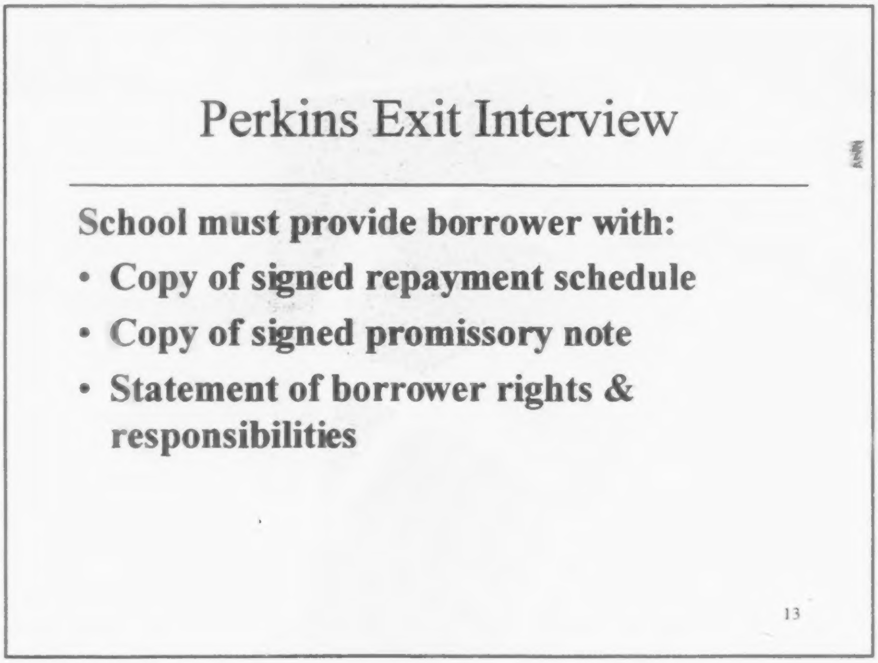
- **Open-ended**
  - **single note covering several years**

- **Close-ended**
  - **Covers one award year or term**



Perkins Repayment

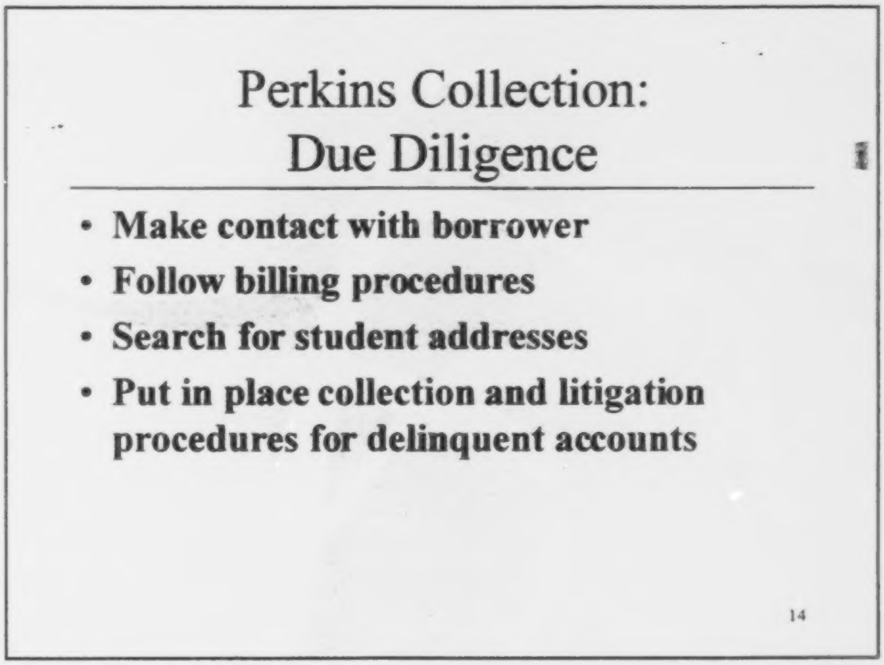
- 9-month grace period
- Up to 10 years to repay
- Several deferment and cancellation provisions



Perkins Exit Interview

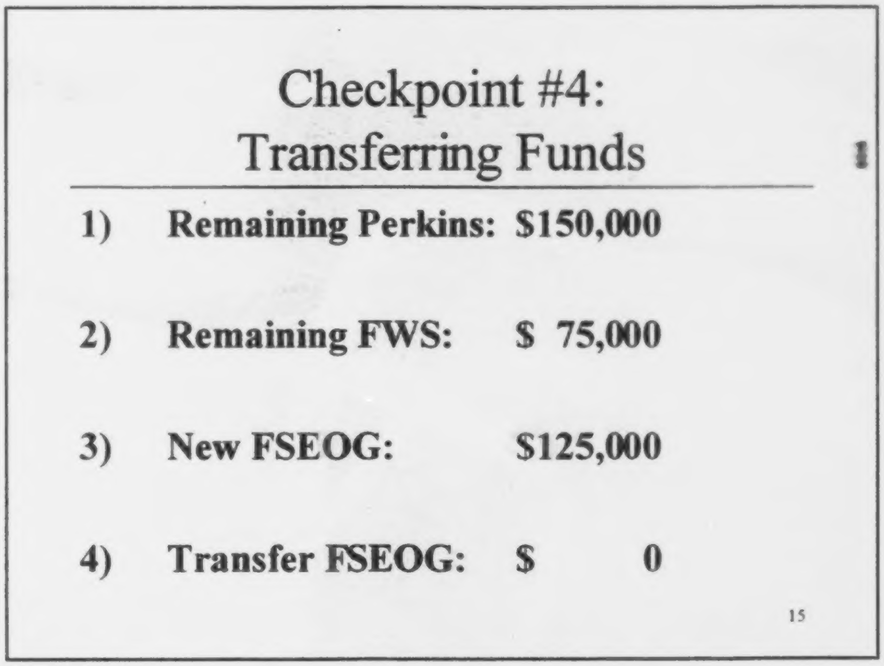
School must provide borrower with:

- Copy of signed repayment schedule
- Copy of signed promissory note
- Statement of borrower rights & responsibilities



Perkins Collection: Due Diligence

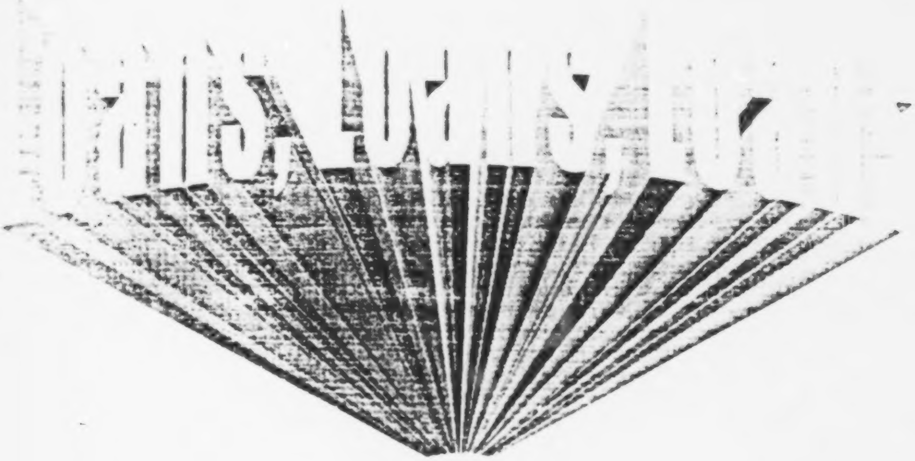
- **Make contact with borrower**
- **Follow billing procedures**
- **Search for student addresses**
- **Put in place collection and litigation procedures for delinquent accounts**



Checkpoint #4: Transferring Funds

1)	**Remaining Perkins:**	**$150,000**
2)	**Remaining FWS:**	**$ 75,000**
3)	**New FSEOG:**	**$125,000**
4)	**Transfer FSEOG:**	**$ 0**

Session 13



Questions we will answer during this session:

What are the similarities between Direct Loans and Federal Family Education Loans (FFELs)?

How much can the student borrow?

What are the differences between the two programs?

What is the role of the school in processing Direct Loans and FFELs?

What are the similarities between Direct Loans and FFELs ?

Direct Loans	Federal Family Education Loans

Loan Types

Loan Amounts

Loan Fees and Interest

Counseling Requirements

Some Repayment Provisions

290

How much can the student borrow?

LOAN LIMITS:
DIRECT AND FFEL

BASE - SUBSIDIZED & UNSUBSIDIZED

STUDENT YEAR	ANNUAL	CUMULATIVE
1st-year undergrad.	$2,625	
2nd-year undergrad.	$3,500	
3rd, 4th, 5th-year undergrad.	$5,500	$23,000
graduate student	$8,500	$65,500 (includes undergrad. & graduate total)

ADDITIONAL - UNSUBSIDIZED ONLY

STUDENT YEAR	ANNUAL	CUMULATIVE
1st-year undergrad.	$4,000	
2nd-year undergrad.	$4,000	
3rd, 4th, 5th-year undergrad.	$5,000	$23,000 - dep. (sub. + unsub.) $46,000 - ind. (sub. + unsub.)
graduate student	$10,000	$138,500 (includes undergrad. & graduate sub. and unsub. total)

Loan Equations

Base Amounts

Subsidized Base Amount:

COA – EFC – EFA = Loan Amount

Unsubsidized Base Amount:

Remember, consider loan limits here!

COA – EFA (include base amount) = Unsub. Base Amount

Practice – Base Amounts

Tonya is a dependent, second-year student. She has a COA of $5,530. Her EFC is 1,750. The only financial aid she is scheduled to receive so far is a $1,250 Pell Grant. Calculate Tonya's subsidized and unsubsidized base loan amounts.

Subsidized

__________ - __________ - __________ = __________

(COA) **(EFC)** **(EFA)** **(Base)**

Unsubsidized

__________ - __________ = ______________

(COA) **(EFA)** **(Initial amount)**

Because of loan limits, though, Tonya is actually eligible for $________ in unsubsidized loans.

Loan Equations

Additional Amounts

COA – EFA (including base amount) = Additional Amount

This amount is unsubsidized!

Practice – Additional Amount

Tonya's parents try to borrow a PLUS loan, but are denied because of adverse credit. Now Tonya is eligible for additional unsubsidized funds.

Remember, Tonya's COA is $5,530. She is already slated to receive a loan of $3,500, along with her Pell Grant of $1,250.

__________ - __________ = ____________________

(COA) **(EFA)** **(Additional Amount)**

Remember, this can't exceed the additional loan limit of $4,000.

Proration

What is loan proration?

- reduction of a student's loan maximum

When must you prorate?

- student's entire program is less than one academic year
    - example: 600 clock-hour program

- student's program greater than 1 academic year, but *final period of study* is less than 1 academic year
    - example:
      1350 clock-hour, 45-week program
      900 clock-hour, 30-week academic year
      Year 1: 900 clock hours; no proration
      Year 2: 450 clock hours; PRORATION REQUIRED
    - example:
      3.5 year program, 2 terms per year
      Years 1-3: no proration
      Year 4: 1 term remaining, PRORATION REQUIRED

- length measured in terms for term-based schools, and hours or weeks for nonterm schools

Checkpoint #1 – When to Prorate

Michael is enrolled in a computer training program that is 600 clock hours and 15 weeks long. The academic year at his school is 900 clock hours and 30 weeks.

Is proration required for Michael?

Why or why not?

Charlene is beginning her second year of a two-year program. Her school measure progress in 15-week terms, with an academic year of 30 weeks. Because Charlene took classes in the summer at the end of her first year, she only has 18 credits remaining for her program. She decides to take all 18 credits the first semester of the second year, completing the program in December.

Is proration required for Charlene?

Why or why not?

Charlene changes her mind, and decides to take 6 credits in the fall semester of her second year, and 12 credits in the spring semester.

Is proration required in this case?

Why or why not?

LOAN PRORATION: DIRECT LOAN AND FFEL PROGRAMS

Program Length or Final Enrollment Period	Grade Level					
	First-Year Undergraduate		Second-Year Undergraduate		Third-Year, Fourth-Year, and Fifth-Year Undergraduate	
	Base Stafford (sub and unsub)	Additional Unsub Stafford	Base Stafford (sub and unsub)	Additional Unsub Stafford	Base Stafford (sub and unsub)	Additional Unsub Stafford
1 academic year	$2,625	$4,000	$3,500	$4,000	$5,500	$5,000
Less than 1 and greater than or equal to 2/3 academic year	$1,750	$2,500	Proportional Proration	$2,500	Proportional Proration	Proportional Proration
Less than 2/3 and greater than or equal to 1/3 academic year	$875	$1,500	Proportional Proration	$1,500	Proportional Proration	Proportional Proration
Less than 1/3 academic year	0	0	Proportional Proration	0	Proportional Proration	Proportional Proration

Calculation Notes:

- Pre-set loan amounts represent **fixed proration.** To prorate, take the lesser of the two fractions (see below), find the appropriate box in the first column that matches your fraction, and find the dollar amount that represents your new loan maximum in the appropriate grade level column.

Compare $\frac{\text{clock/credit hours in program}}{\text{clock/credit hours in the schools}}$ and $\frac{\text{\# of weeks in program}}{\text{\# of weeks in academic year}}$
academic year

- For proportional proration, simply multiply the regular maximum with the fraction below. You can ignore the first column altogether when doing proportional proration.

Use $\frac{\text{\# credit/clock hours left in the program}}{\text{\# credit/clock hours in schools academic year}}$

Direct Loan Program and FFEL Program Interest-Rate Provisions as of July 1, 1994

	Subsidized and Unsubsidized Loans	PLUS Loans
Interest Rate	Variable rate; maximum annual rate 8.25%	Variable rate; max. annual rate 9%
Interest Rate Formula	***For loans first disbursed on or after 07/01/94 through 06/30/95:*** • Bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 3.1% ***For loans first disbursed on or after 07/01/95 through 06/30/98:*** • **Prior to repayment,** bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 2.5% • If borrower is **in repayment,** bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 3.1%	***For loans first disbursed on or after 07/01/94 through 06/30/98:*** • Bond equivalent rate of 52-week Treasury bills auctioned at final auction prior to 06/01 plus 3.1%

Grace Periods for Direct Loan Program and FFEL Program

Federal (Subsidized) Stafford Loan[1] and Direct Subsidized Loan[1]	Federal Unsubsidized Loan[1] and Direct Unsubsidized Loan[1]	Federal PLUS Loan and SLS[2,3] and Direct PLUS Loan
6 months for all loans for periods of enrollment 01/01/81 and after.[5] 9-12 months for all loans for periods of enrollment before 01/01/81.	6 months on repaying principal. Interest may be paid or accrued and capitalized during in-school and grace periods.[4]	None. The repayment period begins on the date the loan is fully disbursed. Interest begins to accrue on the date of the loan's first disbursement. For Federal SLS borrowers and new borrowers of Federal PLUS Loans on or after 07/01/93, repayment may be deferred while the students for whom the funds are borrowed are enrolled at least half time. Interest may be capitalized.

[1] If the grace period has not already been used, the loan's grace period begins on the date the student ceases to be enrolled at least half time.

[2] Also applied to Federal SLS loans, which were discontinued 07/01/94.

[3] Combined Federal SLS/federal sub/unsub borrowers have the option to defer Federal SLS repayment for up to 6 months after at least half-time enrollment ceases. This provision applies only when the borrower's loans have not entered repayment.

[4] Paying accrued interest is postponed by adding it to the loan principal as the interest comes due. (This is called "capitalization.")

[5] Not all loans made after 1/1/81 have 6 months grace period. If a student received a 7% loan prior to 1/1/81 with a 9-12 month grace period, the student continued to receive the 7% interest rate and the 9-12 month grace period on subsequent loans up until 7/1/94. Beginning 7/1/94 all loans had variable interest rates and 6 months grace period.

BEST COPY AVAILABLE

Cancellation and Loan Forgiveness

Borrower	Direct and FFEL Loans
Loan Cancellation	• death of borrower • death of student on whose behalf a parent borrowed a PLUS Loan • permanent and total disability of borrower • discharge of loan in bankruptcy
Loan Forgiveness	• students unable to complete their programs of study because their schools closed[1] • students whose schools falsely certified their loans

---

[1] These students are only eligible for forgiveness if their schools do not provide them with an alternate way to complete their program. This may include attendance at another nearby school that has an agreement in place with the closing school.

Entrance/Exit Loan Counseling For Direct Loans and FFEL Programs Loans

HOW to cover:

ENTRANCE COUNSELING

- ◊ In-person presentation or by videotape or by computer-assisted technology. Individual with Title IV expertise must be available to answer borrower questions
- ◊ Written counseling materials permissible for students enrolled in correspondence study or study-abroad programs

OR

- ◊ "Alternative Entrance Counseling Approach" for Direct Loan borrowers only:
  - Written counseling material provided to first-time Direct Loan borrowers
  - Counseling efforts targeted to certain groups of borrowers
  - Entrance-counseling plan must be part of school's quality assurance plan

EXIT COUNSELING

- ◊ In-person presentation
- ◊ Written counseling materials:
  - Mandatory for students who have withdrawn without notifying the school or have failed to attend scheduled exit counseling
  - Permissible for students enrolled in correspondence study or study-abroad program

WHEN to cover:

ENTRANCE COUNSELING

- ◊ Prior to delivery of the first disbursement of the first Stafford Loan a borrower will receive at your school.

EXIT COUNSELING

- ◊ Shortly before any borrower ceases at least half-time enrollment or (by mail) within 30 days:
  - After learning that the student has withdrawn without the notifying school
  - After the student has failed to attend scheduled exit counseling
  - After student completed correspondence program or study-abroad program

WHAT to cover:

REQUIRED CORE ITEMS

ENTRANCE COUNSELING

- ◊ Emphasize seriousness and importance of repayment
- ◊ Emphasize consequences of default, including adverse credit reports, garnishment of wages, and litigation
- ◊ Emphasize obligation to repay full amount of loan, regardless of borrower's ability to gain employment after leaving school or dissatisfaction with the program
- ◊ For Direct Loans, provide data on average indebtedness and average monthly repayment of students who obtained loans at that school or in borrower's program of study

EXIT COUNSELING

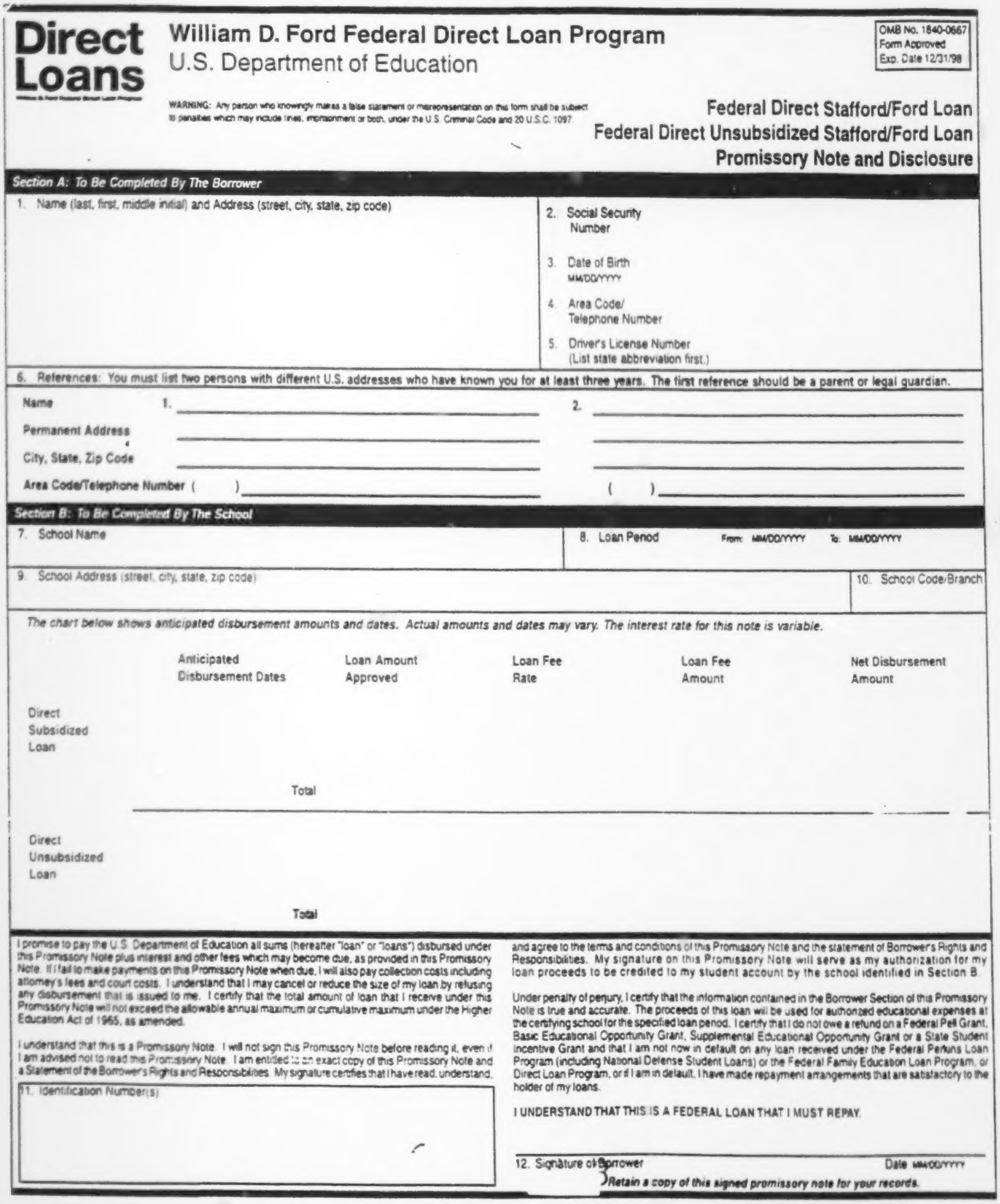
- ◊ Provide name and address of the borrower's lender(s)
- ◊ Inform student of average monthly repayment amount based on student's indebtedness
- ◊ Review available repayment options & obligations
- ◊ Provide borrower with debt-management strategies that would facilitate repayment
- ◊ Explain how to contact the party servicing the student's loan
- ◊ Emphasize seriousness and importance of repayment
- ◊ Emphasize consequences of default, including adverse credit reports, garnishment of wages, and litigation
- ◊ Review deferment, forbearance, and cancellation conditions
- ◊ Require borrower to provide corrections to school's records concerning name, address, Social Security number, references, driver's license number with state where it was issued, and name and address of expected employer

What are the differences between the programs

	Direct Loans	Federal Family Education Loans
Source of funds	U.S. Department of Education	Private lenders
Application Process	FAFSA alone	FAFSA and FFEL application
Disbursement Process	Schools receive funds from ED, and *disburse* to students	Lenders *disburse* to schools, and schools *deliver* to students
Repayment Process	Standard Extended Graduated Income-contingent	Standard Graduated Income-sensitive

BEST COPY AVAILABLE

What is the school's role in the processing of Direct Loans and Federal Family Education Loans?



Direct Loans

William D. Ford Federal Direct Loan Program
U.S. Department of Education

OMB No. 1840-0667
Form Approved
Exp. Date 12/31/98

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan
Promissory Note and Disclosure

Section A: To Be Completed By The Borrower

1. Name (last, first, middle initial) and Address (street, city, state, zip code)
2. Social Security Number
3. Date of Birth MM/DD/YYYY
4. Area Code/ Telephone Number
5. Driver's License Number (List state abbreviation first.)

6. **References: You must list two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.**

Name	1. ____________	2. ____________
Permanent Address	____________	____________
City, State, Zip Code	____________	____________
Area Code/Telephone Number	( ) ____________	( ) ____________

Section B: To Be Completed By The School

7. School Name
8. Loan Period From: MM/DD/YYYY To: MM/DD/YYYY
9. School Address (street, city, state, zip code)
10. School Code/Branch

The chart below shows anticipated disbursement amounts and dates. Actual amounts and dates may vary. The interest rate for this note is variable.

	Anticipated Disbursement Dates	Loan Amount Approved	Loan Fee Rate	Loan Fee Amount	Net Disbursement Amount
Direct Subsidized Loan					
Total					
Direct Unsubsidized Loan					
Total					

I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Promissory Note plus interest and other fees which may become due, as provided in this Promissory Note. If I fail to make payments on this Promissory Note when due, I will also pay collection costs including attorney's fees and court costs. I understand that I may cancel or reduce the size of my loan by refusing any disbursement that is issued to me. I certify that the total amount of loan that I receive under this Promissory Note will not exceed the allowable annual maximum or cumulative maximum under the Higher Education Act of 1965, as amended.

I understand that this is a Promissory Note. I will not sign this Promissory Note before reading it, even if I am advised not to read this Promissory Note. I am entitled to an exact copy of this Promissory Note and a Statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree to the terms and conditions of this Promissory Note and the statement of Borrower's Rights and Responsibilities. My signature on this Promissory Note will serve as my authorization for my loan proceeds to be credited to my student account by the school identified in Section B.

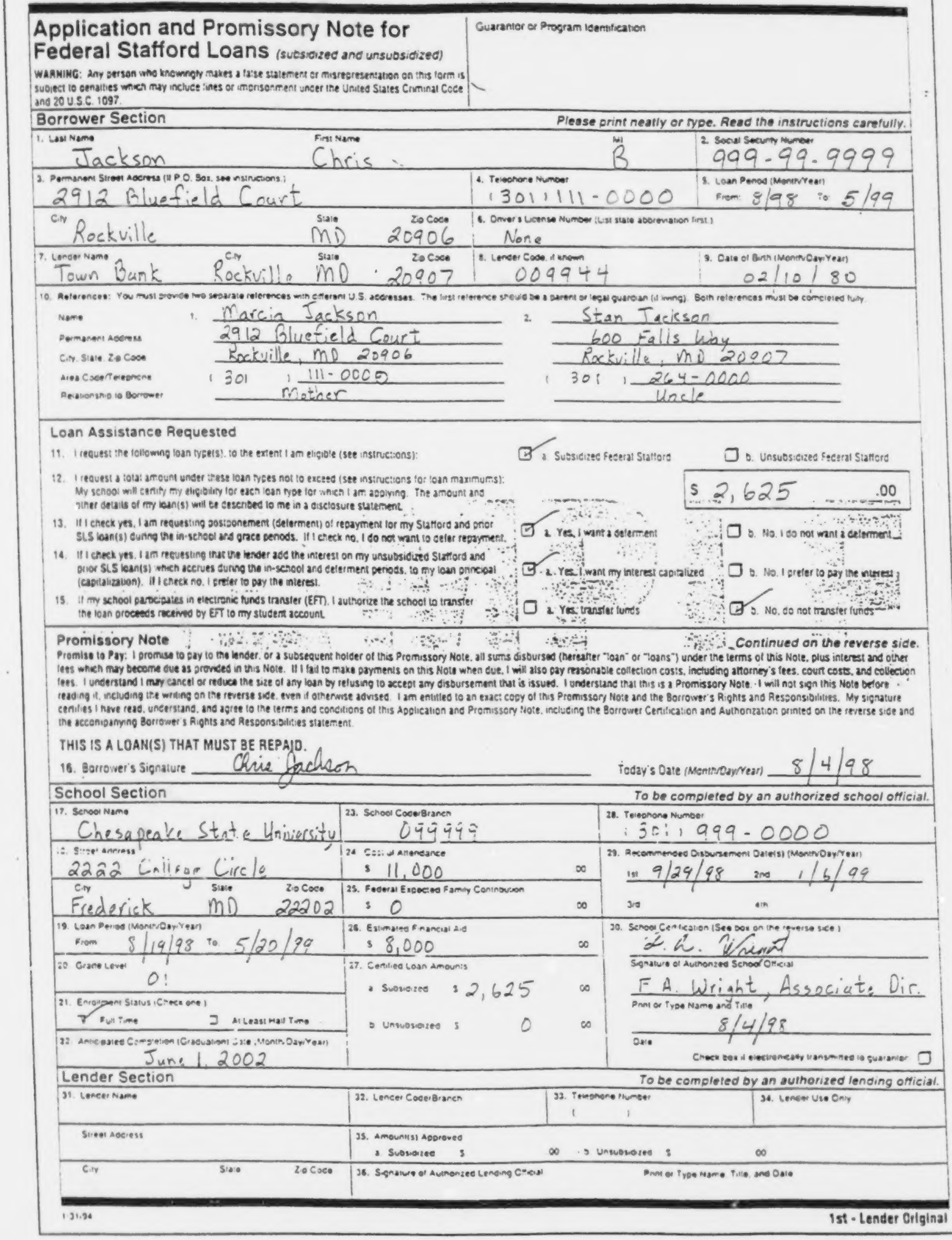
11. Identification Number(s)

Under penalty of perjury, I certify that the information contained in the Borrower Section of this Promissory Note is true and accurate. The proceeds of this loan will be used for authorized educational expenses at the certifying school for the specified loan period. I certify that I do not owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program, or Direct Loan Program, or if I am in default, I have made repayment arrangements that are satisfactory to the holder of my loans.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

12. Signature of Borrower Date MM/DD/YYYY

Retain a copy of this signed promissory note for your records.



Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name: Jackson First Name: Chris MI: B
2. Social Security Number: 999-99-9999
3. Permanent Street Address (If P.O. Box, see instructions.): 2912 Bluefield Court
City: Rockville State: MD Zip Code: 20906
4. Telephone Number: (301) 111-0000
5. Loan Period (Month/Year) From: 8/98 To: 5/99
6. Driver's License Number (List state abbreviation first.): None
7. Lender Name: Town Bank City: Rockville State: MD Zip Code: 20907
8. Lender Code, if known: 009944
9. Date of Birth (Month/Day/Year): 02/10/80

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Marcia Jackson	Stan Jackson
Permanent Address	2912 Bluefield Court	600 Falls Way
City, State, Zip Code	Rockville, MD 20906	Rockville, MD 20907
Area Code/Telephone	(301) 111-0005	(301) 264-0000
Relationship to Borrower	Mother	Uncle

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☑ a. Subsidized Federal Stafford ☐ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 2,625 .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☑ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☑ a. Yes, I want my interest capitalized ☐ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☐ a. Yes, transfer funds ☑ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature: Chris Jackson Today's Date *(Month/Day/Year)*: 8/4/98

School Section

To be completed by an authorized school official.

17. School Name: Chesapeake State University
18. Street Address: 2222 College Circle
City: Frederick State: MD Zip Code: 22202
19. Loan Period (Month/Day/Year) From: 8/19/98 To: 5/20/99
20. Grade Level: 01
21. Enrollment Status (Check one.): ☑ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year): June 1, 2002
23. School Code/Branch: 099999
24. Cost of Attendance: $ 11,000 .00
25. Federal Expected Family Contribution: $ 0 .00
26. Estimated Financial Aid: $ 8,000 .00
27. Certified Loan Amounts: a. Subsidized $ 2,625 .00 b. Unsubsidized $ 0 .00
28. Telephone Number: (301) 999-0000
29. Recommended Disbursement Date(s) (Month/Day/Year): 1st 9/29/98 2nd 1/6/99 3rd 4th
30. School Certification (See box on the reverse side.)
F. A. Wright
Signature of Authorized School Official
F. A. Wright, Associate Dir.
Print or Type Name and Title
8/4/98
Date
Check box if electronically transmitted to guarantor ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City State Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official Print or Type Name, Title, and Date

1-31-94

1st - Lender Original

BEST COPY AVAILABLE

Promissory Note *(continued)*

Disclosure of Terms

This Note applies to subsidized and unsubsidized Federal Stafford Loans. I agree that the lender or any subsequent holder may assign my loan(s) and acknowledge that either loan may be assigned independently of the other loan to which this Note applies.

At or before the time of my first disbursement, the lender will send me a disclosure statement identifying additional terms of each loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Interest

Unless my lender notifies me in writing of a lower rate(s), the rate(s) of interest for my loan(s) are those specified in the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act). The rate is presented in the statement of Borrower's Rights and Responsibilities.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the entire principal balance is paid in full. I agree to pay all interest charges on my unsubsidized Federal Stafford Loan. I agree to pay all interest charges on my subsidized Federal Stafford Loan except interest payable by the federal government under the Act.

Unless I have requested that the interest that accrues on my unsubsidized Federal Stafford Loan be added to the principal balance of my loan (referred to as capitalization), I will begin paying interest upon disbursement. If I fail to make required payments of interest before the beginning of principal repayment, or during a period of authorized deferment or forbearance, I agree that the holder may capitalize such interest to the extent permitted by the Act.

Origination Fee and Guarantee Fee

For each loan, the federal government charges an origination fee equal to the amount required by the Act. The guaranty agency that guarantees my loan(s) (the guarantor) may charge a guarantee fee not to exceed a maximum amount specified in the Act. I will pay these fees, as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loan(s). I understand the origination and guarantee fees are refundable only if a disbursement is cancelled or repaid in full within 120 days of disbursement.

Late Charges and Collection Costs

If I fail to make any part of an installment payment within 10 days after it becomes due, the holder may collect from me a late charge not to exceed 5% of each late installment. If I default on a loan(s), I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

Repayment

I am obligated to repay the full amount of the loan(s) and accrued interest. Federal Stafford Loans have a repayment grace period, usually until six months after I end enrollment as at least a half-time student at an eligible school. My grace period will be disclosed in my disclosure statement.

I will repay the principal of my loan(s) in periodic installments during a repayment period(s) that begins on the day immediately following the end of my grace period. My principal repayment period for each loan generally lasts five years but may not exceed 10 years, exclusive of any period of deferment or forbearance.

The holder of my loan(s) will provide me with a repayment schedule that identifies my payment amounts and due dates. The minimum annual payment required on all my Federal Stafford, PLUS, and SLS Loans is $600 or the amount of interest due and payable, whichever is larger. If I am eligible and I request it, my lender must provide me with a graduated or income-sensitive repayment schedule consistent with the provisions of the Act.

My repayment schedule may include all of my Federal Family Education Loans that are owned by the holder of this Note. I agree that the holder may grant me a forbearance for purposes of aligning payment dates on my loans or to eliminate a delinquency that persists even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

Acceleration and Default

At the option of the holder, the entire unpaid balance shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as at least a half-time student at the school that certified my Application; (ii) I fail to use the proceeds of the loan(s) solely for educational expenses; (iii) I make a false representation(s) that results in my receiving a loan(s) for which I am not eligible; or (iv) I default on the loan(s).

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or (ii) I fail to make installment payments when due, or fail to comply with other terms of the loan(s), and the guarantor reasonably concludes I no longer intend to honor my repayment obligation, provided my failure has persisted for at least 180 days for payments due monthly or 240 days for payments due less frequently than monthly. If I default, the guarantor may purchase my loan, and capitalize all then-outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities. Following default, the loan(s) may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices.

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended [20 U.S.C. 1070 et seq.], other applicable federal statutes and regulations, and the guarantor's policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

If this loan is made by the school, or if the proceeds of this loan are used to pay tuition and charges of a for-profit school that refers loan applicants to the lender, or that is affiliated with the lender by common control, contract, or business arrangement, any holder of this Note is subject to all claims and defenses which I could assert against the school. My recovery under this provision shall not exceed the amount I paid on this loan.

If I reside in the state in which the principal office of the guarantor is located, the guarantor may sue to enforce this loan in the county in which the guarantor's office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the suit, the guarantor will either have the court transfer the suit to the county in which I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder from the Department of Education or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

(1) I certify that the information contained in the Borrower Section of the Application is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that I will immediately repay any loan proceeds that cannot reasonably be attributed to educational expenses for attendance on at least a half-time basis at the certifying school for the loan period certified on the Application.

(3) I certify that the total amount of loans I receive under this Note will not exceed the allowable maximums under the Act.

(4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program (or "FFELP" as defined in the statement of Borrower's Rights and Responsibilities) or, if I am in default, I have made payment arrangements that are satisfactory to the holder.

(5) I authorize my school to pay to the holder any refund, that may be due to me, up to the amount of the loan(s).

(6) I authorize the holder(s) of my loan(s), the guarantor, or their agents, to investigate my credit record and report information concerning my loan status to proper persons and organizations.

(7) I authorize the release of information pertinent to this loan: (i) by the school, current holder, and the guarantor, or their agents, to members of my immediate family unless I submit written directions otherwise; and, (ii) by and amongst my schools, lenders, guarantors, subsequent holders, the Department of Education, and their agents.

(8) So that the loan(s) requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

School Certification

I hereby certify that the borrower named on this Application is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type(s) certified. I certify that the student is an eligible borrower in accordance with the Act. I further certify that the borrower's eligibility for a Pell Grant has been determined, that the borrower is not incarcerated, and that the borrower has been determined eligible for loan(s) in the amount(s) certified. I further certify that the disbursement schedule complies with the requirements of the Act and hereby authorize the guarantor to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, the borrower has met the requirements of the Selective Service Act, that the borrower is not liable for an overpayment of any federal grant made under the Act, and that the information provided in the Borrower and the School Sections of the Application (including information supplied in electronic format) is true, complete, and accurate to the best of my knowledge and belief. I agree to provide the borrower with confirmation of any transfer of funds through EFT to the borrower's student account.

1/31/94

Answer Key

Practice – Base Amount

Subsidized

$5,530 - 1,750 - $1,250 = $2,350 (sub. amount)

Unsubsidized

$5,530 - $3,780 = $1,750 (initial unsub. amount)

Because of loan limits, Tonya is actually eligible for $970.

Practice – Additional Amount

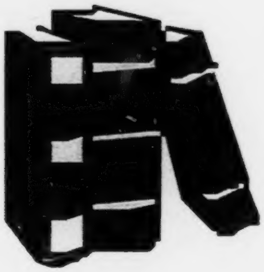
$5,530 - $4,750 = $780

Checkpoint #1

Michael: **Yes. His program is less than one academic year.**

Charlene: **Yes. She is attending less than one academic year.**

Charlene (alternate): **No. She is attending both terms in the year.**



Resources

- The 1998-99 Federal Student Financial Aid Handbook, Chapters 10 and 11
- 34 CFR 682 (FFEL) and 685 (Direct Loan)
- 1998-99 Direct Loan School Guide

Session 13

Loans, Loans, Loans

Direct Loans and FFELs—Loan Types

- **Subsidized**
- **Unsubsidized**
- **PLUS**
- **Consolidation**

Base Loan Amounts

- **Made up of both subsidized and unsubsidized loans**
- **Initial loan limit for student borrowers**

Additional Loan Amount

- **Unsubsidized loans only**
- **For all independent students and dependent students whose parents are unable to borrow a PLUS Loan**

Tonya's Subsidized Base Amount

$5,530 (COA)
- 1,750 (EFC)
- $1,250 (EFA)
= $2,530 (subsidized loan)

Tonya's Initial Unsubsidized Base Amount

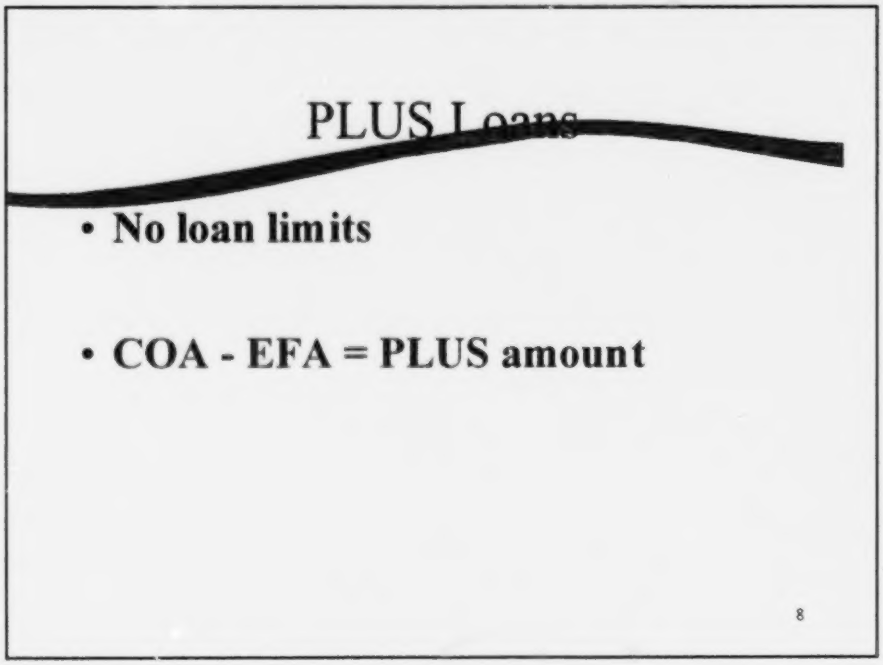
$5,530 (COA)
- $3,780 (EFA)
= $1,750 (initial unsubsidized amount)

Tonya's Actual Unsubsidized Base Amount

$3,500 (base loan limit)
- **$2,530 (sub. Amount))**
= **$ 970 (actual unsubsidized amount)**

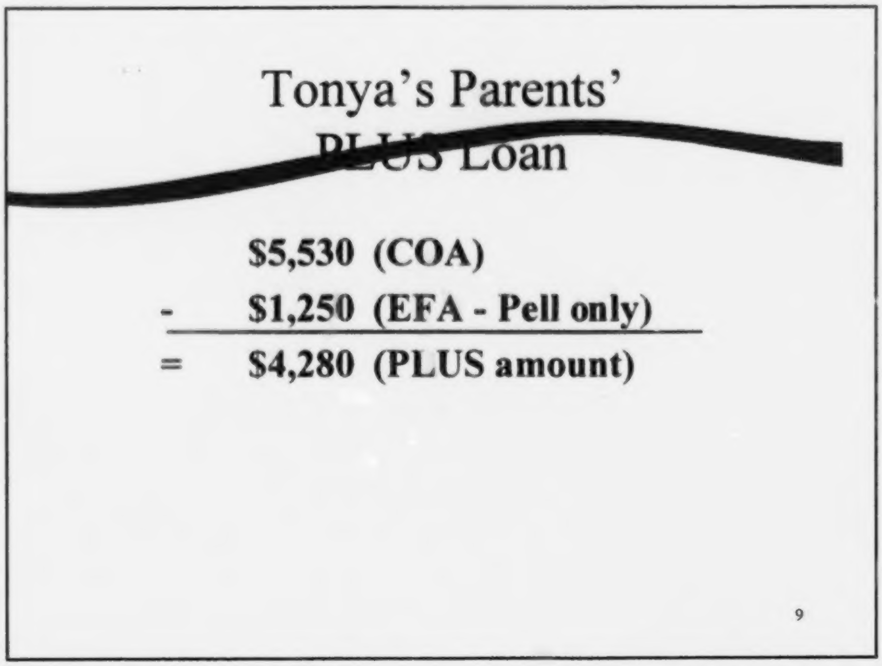
Tonya's Additional Amount

$5,530 (COA)
- **$4,750 (EFA including base amount)**
= **$ 780 (additional amount)**



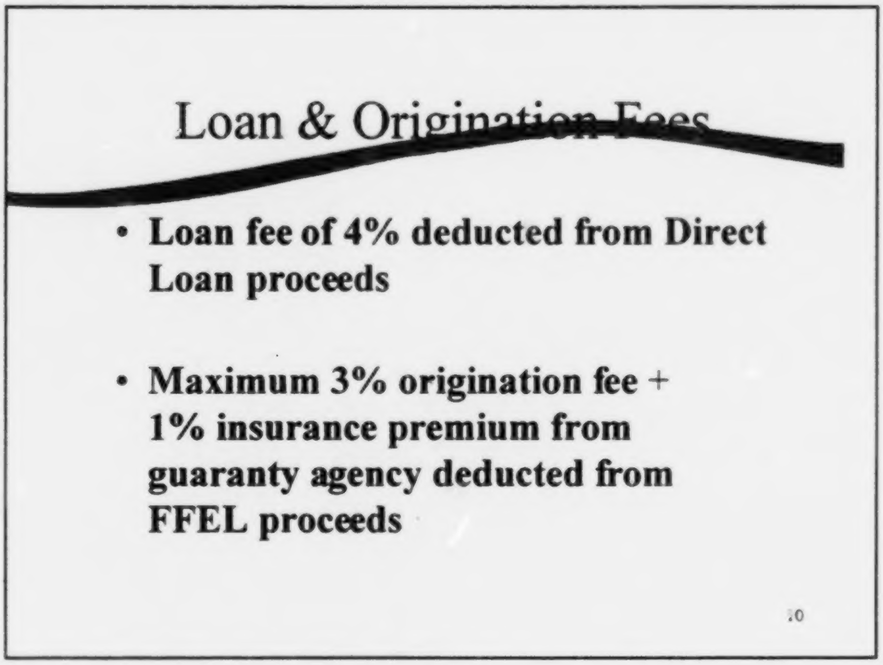
PLUS Loans

- **No loan limits**
- **COA - EFA = PLUS amount**



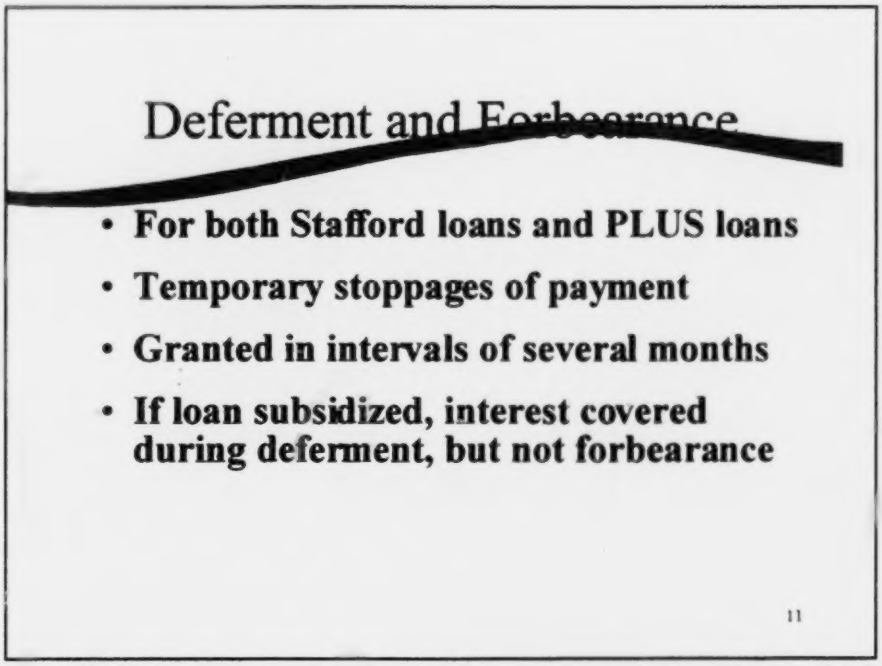
Tonya's Parents' PLUS Loan

$5,530 (COA)
- $1,250 (EFA - Pell only)
= $4,280 (PLUS amount)



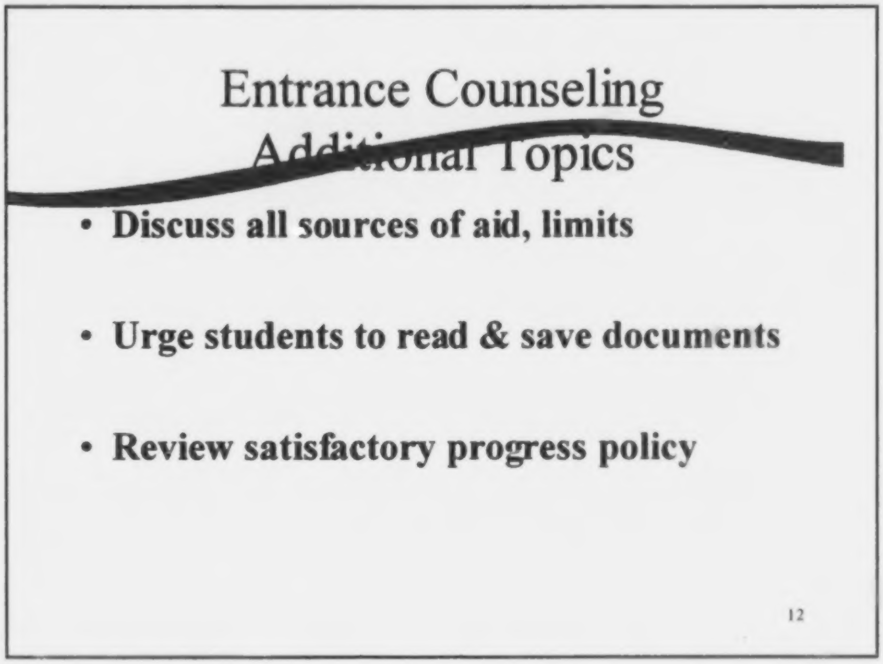
Loan & Origination Fees

- Loan fee of 4% deducted from Direct Loan proceeds
- Maximum 3% origination fee + 1% insurance premium from guaranty agency deducted from FFEL proceeds



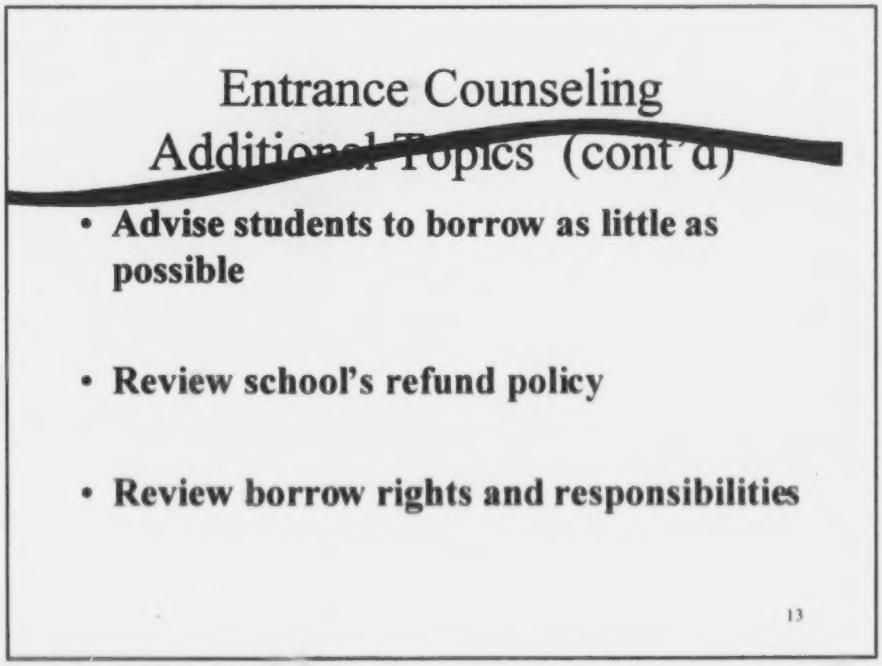
Deferment and Forbearance

- For both Stafford loans and PLUS loans
- Temporary stoppages of payment
- Granted in intervals of several months
- If loan subsidized, interest covered during deferment, but not forbearance



Entrance Counseling Additional Topics

- Discuss all sources of aid, limits
- Urge students to read & save documents
- Review satisfactory progress policy



Entrance Counseling Additional Topics (cont'd)

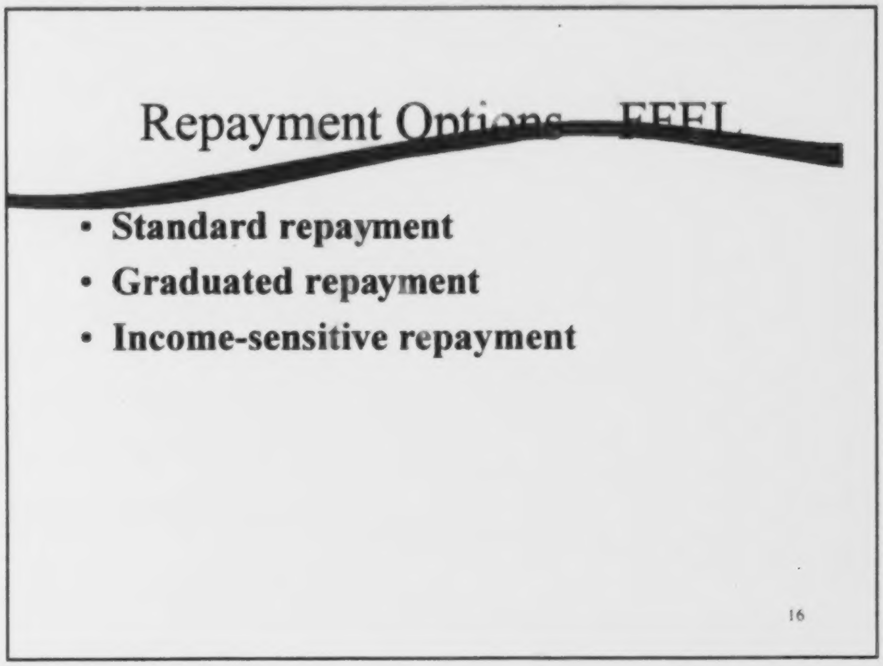
- Advise students to borrow as little as possible
- Review school's refund policy
- Review borrow rights and responsibilities

Reporting Errors

School must report errors in school's student records to ED or guarantors within 60 days of the exit interview.

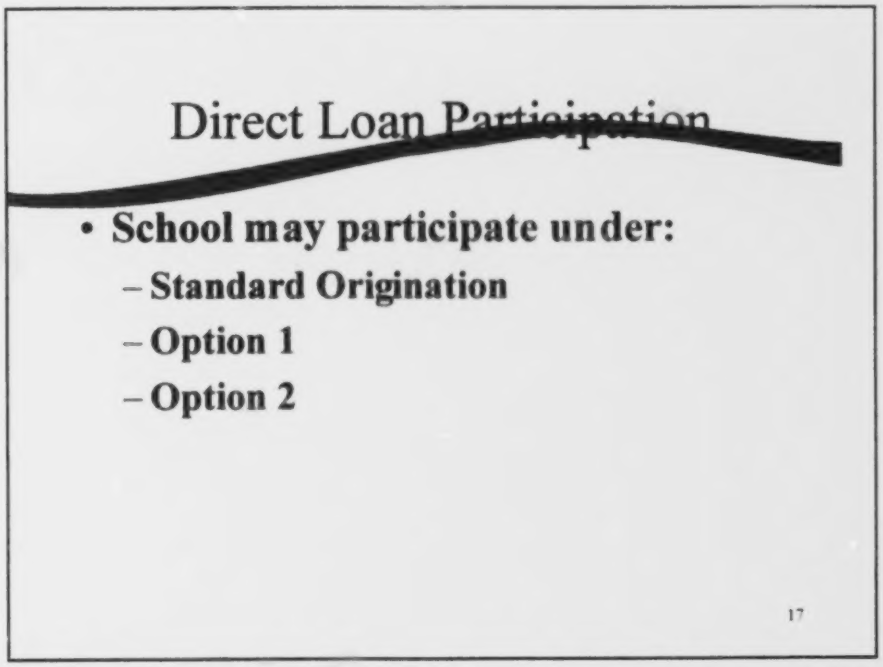
Repayment Options—Direct Loans

- **Standard repayment**
- **Extended repayment**
- **Graduated repayment**
- **Income-contingent repayment**



Repayment Options—FFEL

- Standard repayment
- Graduated repayment
- Income-sensitive repayment



Direct Loan Participation

- School may participate under:
  - Standard Origination
  - Option 1
  - Option 2

The 1998-99 Direct Loan School Guide

To order, call:

1-800-848-0978

The Common FFEL Application

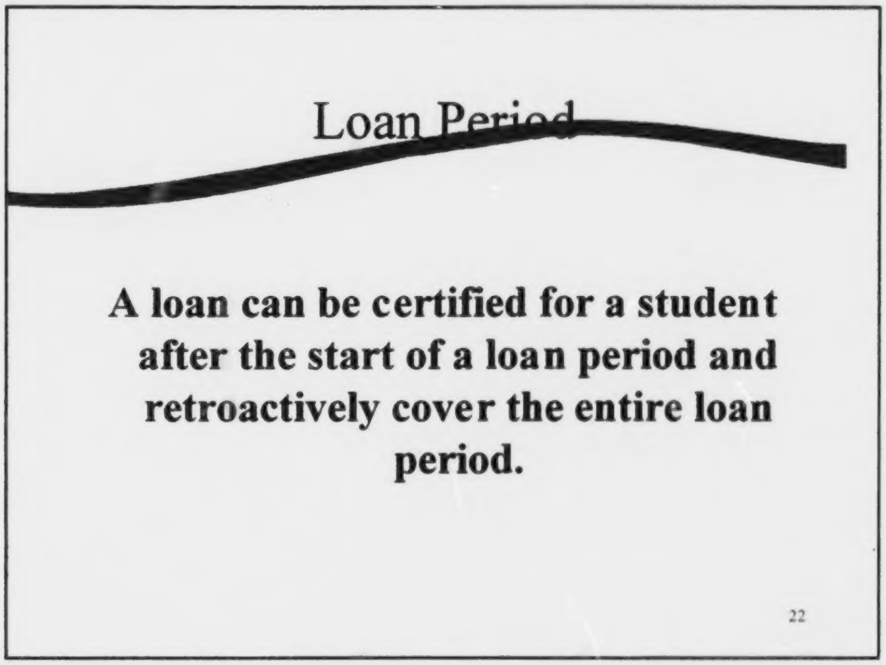
- **The school must:**
  - **review Borrower Section**
  - **complete School Section**
  - **certify the application**
  - **forward application to lender**

Items 11-15

- Student must request both types of FFELs to be considered for both types
- Student must indicate preference about paying interest

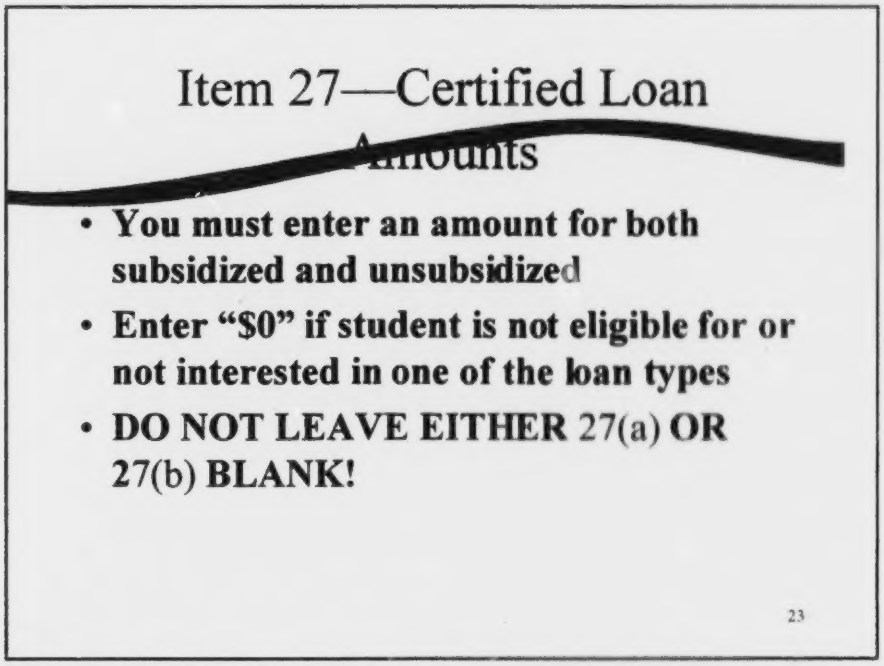
School Control of FFEL Program Loan Certification

- School has the authority to refuse to certify an FFEL application, or to certify it for a lesser amount
- Reason for refusal must be documented and provided in writing to the student



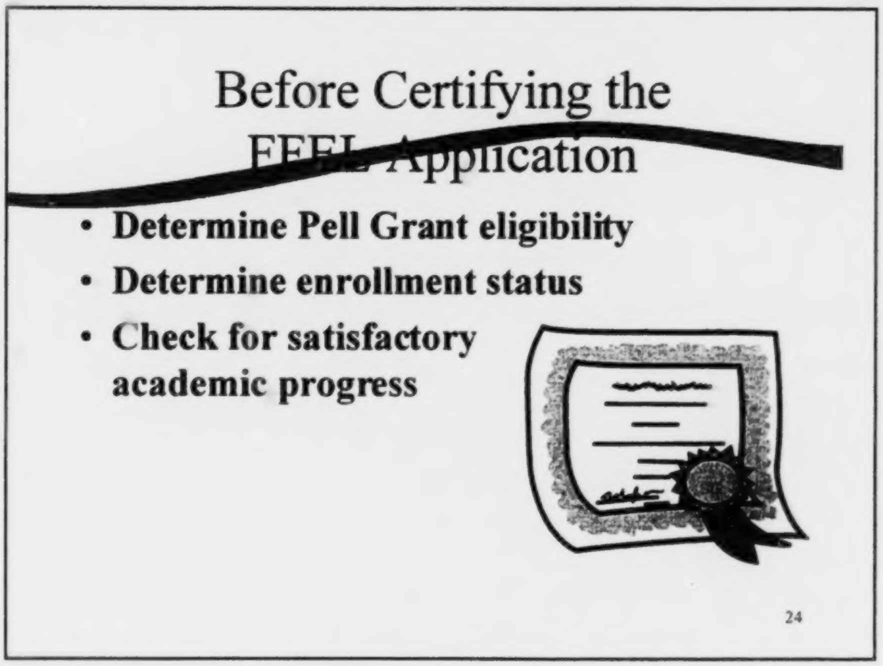
Loan Period

A loan can be certified for a student after the start of a loan period and retroactively cover the entire loan period.



Item 27—Certified Loan Amounts

- You must enter an amount for both subsidized and unsubsidized
- Enter "$0" if student is not eligible for or not interested in one of the loan types
- DO NOT LEAVE EITHER 27(a) OR 27(b) BLANK!



Before Certifying the FFEL Application

- Determine Pell Grant eligibility
- Determine enrollment status
- Check for satisfactory academic progress

Session 14

Calculating Refunds and Repayments

Questions we will answer during this session:

When must you calculate refunds and repayments?

What are refunds and repayments?

Which type of refunds must you calculate?

How do you calculate refunds and repayments?

How quickly must you return the funds?

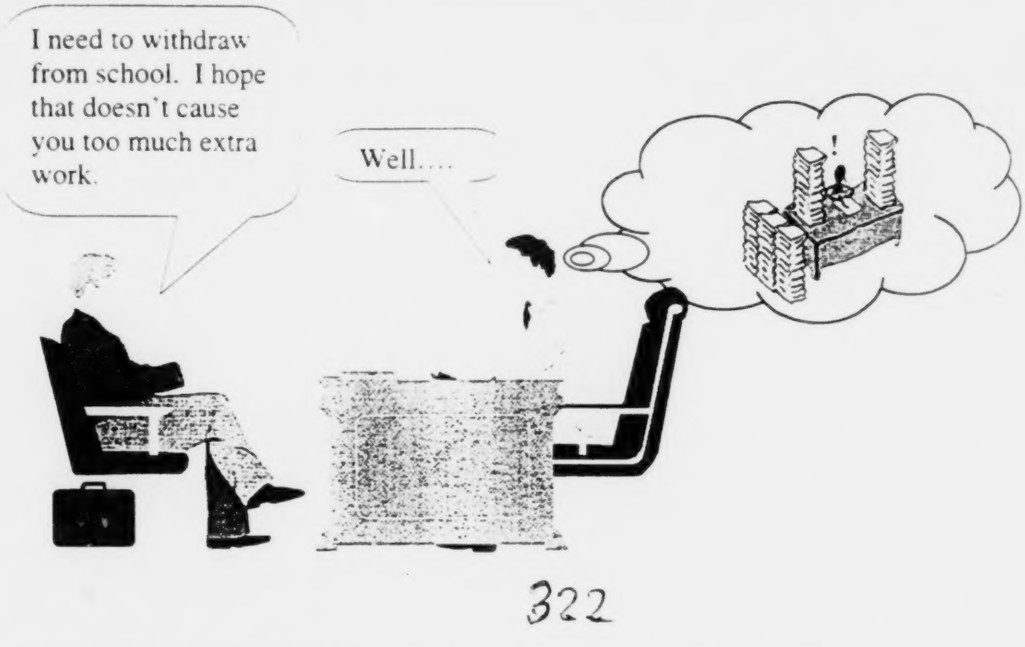
When must you calculate refunds and repayments?

Calculate refunds and repayments when the student is a Title IV recipient, begins classes, and then:

- withdraws;
- drops out;
- is expelled;
- takes an unapproved leave of absence; or
- never returns from an approved leave of absence.

What are refunds and repayments?

Refunds:	The return of unearned aid **credited** to the student's account to cover **institutional charges** (like tuition and fees).
Repayments:	The return of unearned aid **originally paid in cash** directly to the student to cover **noninstitutional charges** (like personal living expenses).


I need to withdraw from school. I hope that doesn't cause you too much extra work.
Well....
!

322

Which type of refunds must you calculate?

Levels of Refunds

Level 1 (choose all that apply)

Pro Rata Refund

State Refund

Accrediting Agency Refund

Level 2 (only if no Level 1 refunds apply)

Federal Refund

Institutional Refund

Checkpoint #1: Selecting Refund Calculations

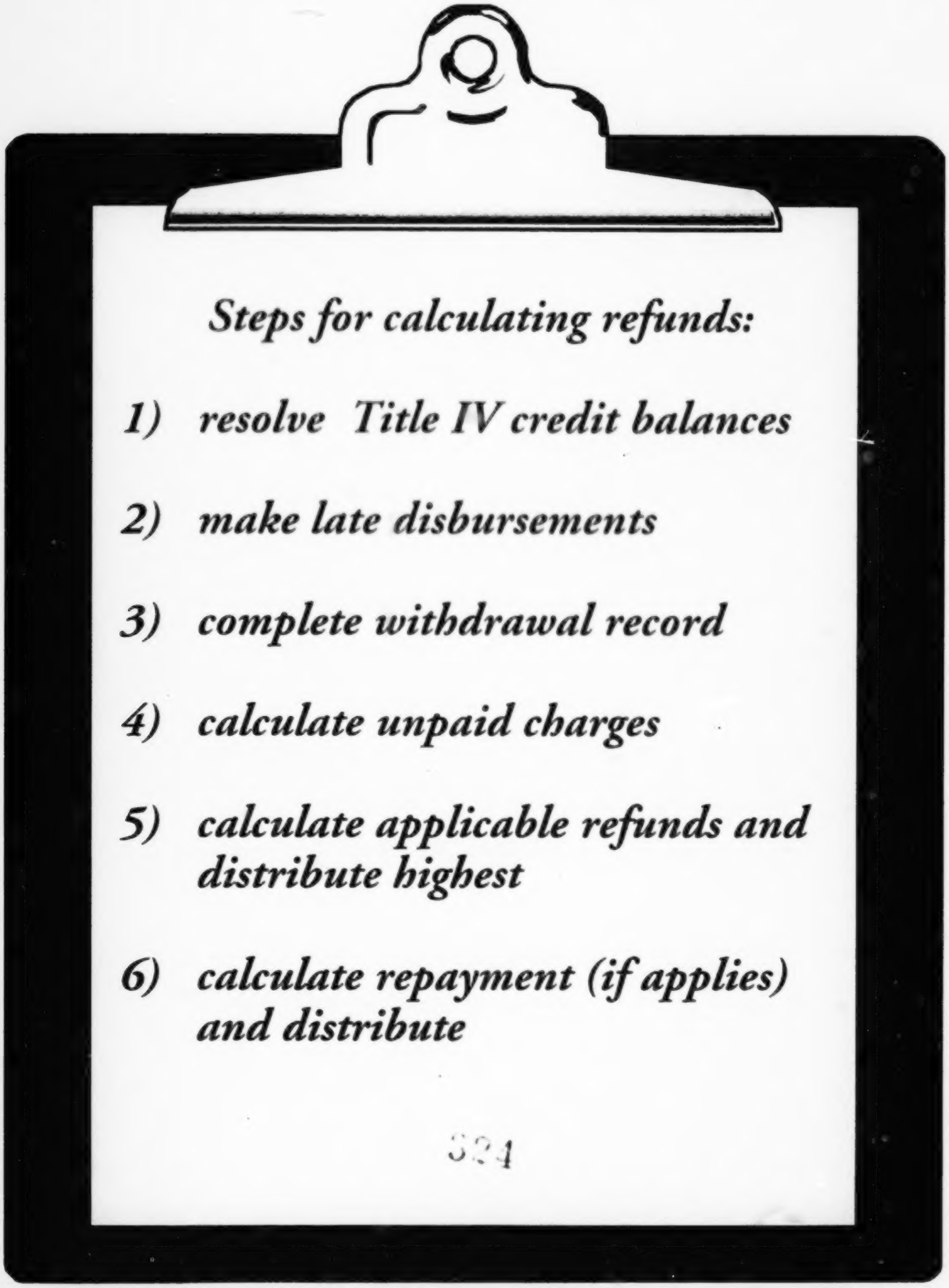
Kaler College features an enrollment period that lasts from 9/1 through 5/12. There is no applicable state policy for this school.

1) Bill is a first-time freshman who withdraws on April 11. Which refund(s) must you calculate? ______________________________

2) Kathy, also a first-time freshman, is expelled on October 8. Which refund(s) must you calculate? ________________________

3) Scarlett, in her third year at Kaler, withdraws on September 6. Which refund(s) must you calculate? ________________________

How do you calculate refunds and repayments?



Steps for calculating refunds:

1) *resolve Title IV credit balances*
2) *make late disbursements*
3) *complete withdrawal record*
4) *calculate unpaid charges*
5) *calculate applicable refunds and distribute highest*
6) *calculate repayment (if applies) and distribute*

case study

The School

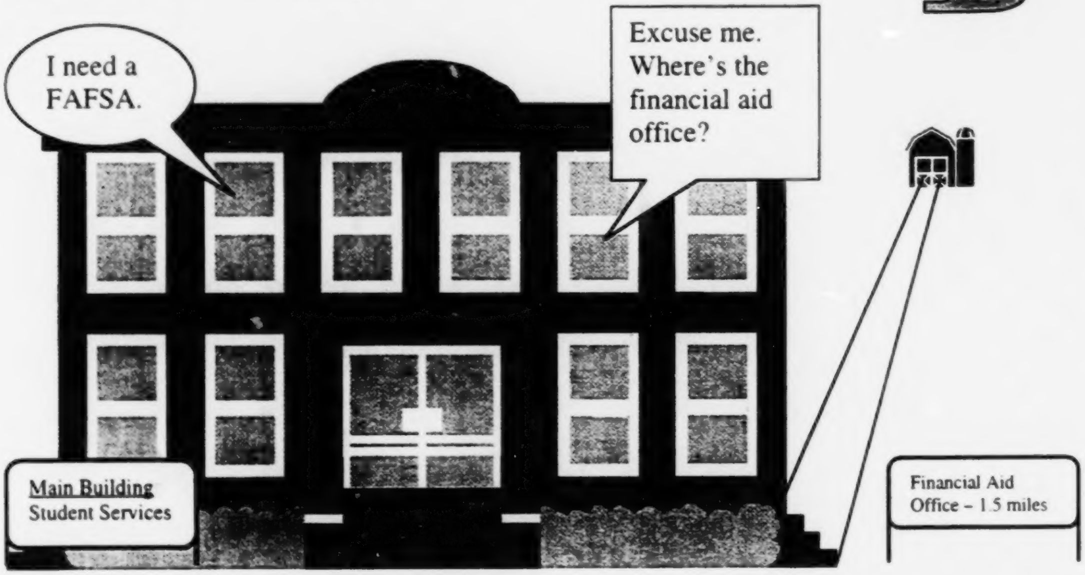
Stormont College is a term-based, credit-hour school. Their academic year is **two 15-week semesters**, and they charge students by the term.

Stormont College resides in a state that does have a refund policy. The **state policy** is as follows:

If the student withdraws during:	The school retains:
1st week	10%
2nd or 3rd week	25%
4th or 5th week	50%
6th or 7th week	75%
After 7th week	100%

The school's **repayment policy** is as follows:

For students who begin classes, 50% of the books and supplies allowance is considered to be expended. All other noninstitutional costs are prorated based on the number of weeks the student completed.


I need a FAFSA.
Excuse me. Where's the financial aid office?
Main Building
Student Services
Financial Aid Office – 1.5 miles

The Student

Doug is a **first-time freshman** at Stormont College. His **classes started** on September 1st. During the sixth week, on October 9th, Doug **officially withdrew** from school. Doug had **received the first disbursement** of both **Title IV** and nonfederal aid.

Costs per semester (student budget)

Tuition and fees	$6,000
Administrative fee	$ 50
Books/Supplies (from store not affiliated with school)	$ 200
Room and board (on-campus housing)	$2,450

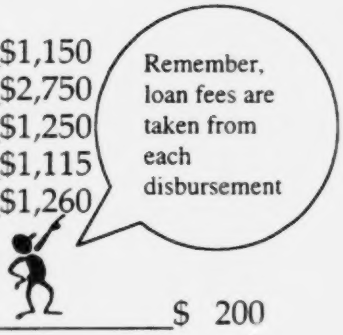
Aid awarded for academic year:

Federal Pell Grant	$2,300
Stormont College Scholarship	$5,500
State Grant	$2,500
FESOG	$ 400
Perkins	$2,229
Subsidized FFEL	$2,625

Disbursements for the 1st semester (all disbursements made on 9/1 except Doug's FFEL)

Credited to Doug's school account -

Federal Pell Grant	$1,150
Stormont College Scholarship	$2,750
State Grant	$1,250
Perkins	$1,115
Subsidized FFEL (made on 10/1)*	$1,260


Remember, loan fees are taken from each disbursement

Cash to Doug -

FSEOG	$ 200

Other payments:

Cash payment from Doug to school	$ 500

*Later FFEL payment due to 30-day disbursement delay for first-time, first-year borrowers

WARNING: DO NOT use without the accompanying instructions!!

WITHDRAWAL RECORD

1. Student Information

Name: Doug
Start Date: 9/1
Withdrawal Date/LDA: 10/9
Social Security Number: 500-00-0000
Length of Enrollment Period:
Date of WD/LDA Determination: 10/9

2. Program Costs

inst.	non-inst.			inst.	non-inst.		
		Tuition/Fees	$ 6,000			Personal/Living	
		Administrative Fee	$ 50			Dependent Care	
		Room & Board	$ 2,450			Disability Costs	
		Books & Supplies	$ 200			Miscellaneous	
		Transportation				Miscellaneous	

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/1	Pell			9/1	FSEOG		
9/1	Scholarship			9/1	Doug		
9/1	State Grant						
9/1	Perkins						
10/1	FFEL						

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: Ⓐ
TOTAL Noninst. Costs: Ⓑ
TOTAL Aid Paid To Inst. Costs: Ⓒ
TOTAL Paid To Inst. Costs: Ⓓ
TOTAL Aid Paid as Cash: Ⓔ

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.) ☐ YES ☐ NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period. ☐ YES ☐ NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round **DOWN** to the nearest 10%:

- For credit-hour programs: $\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \_\_\_\_$
- For clock-hour programs:* $\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} = \_\_\_\_$
- For correspondence programs: $\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \_\_\_\_$

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

- Administrative Fee (up to $100 or 5%, whichever is less) ____ +
- Documented Cost of Unreturnable Equipment ____ +
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) ____ +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): =

____ Ⓐ Total Institutional Costs − ____ Total Excludable Inst. Costs = Pro Rata/Federal Refund Institutional Costs: A1

Doug's Refund Calculations

Unpaid Charges

   ____________ Total institutional costs (A)

- ____________ Total paid to institutional costs (D)

= ____________ UNPAID CHARGES

Pro Rata Refund Calculation

   ____________ Institutional costs (A1)

x ____________ % to be refunded (portion that remains)

= ____________ Initial refund

- ____________ Unpaid charges

= ____________ REFUND AMOUNT

State Refund Calculation

Step 1:

   ____________ Institutional costs (A)

x ____________ % school may retain (from state policy)

= ____________ Initial amount retained by school

- ____________ Unpaid charges

= ____________ Amount school retains

Step 2:

   ____________ Total paid to institutional costs (D)

- ____________ Amount school retains

= ____________ REFUND AMOUNT

328

Refund Distribution

1. Federal SLS Loan ______________
2. Unsubsidized FFEL ______________
3. Subsidized FFEL ______________
4. Federal PLUS Loan ______________
5. Unsubsidized Federal Direct Loan ______________
6. Subsidized Federal Direct Loan ______________
7. Federal Direct PLUS Loan ______________
8. Federal Perkins Loan ______________
9. Federal Pell Grant ______________
10. FSEOG ______________
11. Other Title IV programs ______________
12. Other federal, state, private, or institutional ______________
13. The student ______________

REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from the Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on the Withdrawal Record) may be retained at differing rates and then totaled.

	Noninstitutional Costs *(from Withdrawal Record)*			Expenses Actually Incurred *(from school's repayment policy)*
Room & Board		x	=	
Books & Supplies	$200	x	=	
Transportation		x	=	
Personal/Living/Misc		x	=	
		X	=	
	TOTAL COSTS Ⓑ			**TOTAL INCURRED**

STEP TWO

Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

	$200	Total Aid Paid as Cash (from Withdrawal Record) Ⓔ
-	0	Cash Paid from FFEL/Direct Funds*
=	$200	**TOTAL CASH DISTRIBUTED**

STEP THREE

Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

		Total Cash Paid to Student (from Step Two)
-		Total Costs Incurred (from Step One)
=		**REPAYMENT AMOUNT TO BE DISTRIBUTED**

If this amount is less than $100, the student owes no repayment.

REPAYMENT DISTRIBUTION—Prescribed by Regulation

TOTAL REPAYMENT

1. Federal Perkins Loan ....
2. Federal Pell Grant ....
3. FSEOG ....
4. Other Title IV Aid Programs ....
5. Other Federal, State, private, or institutional aid ....

How quickly must you return the funds?

Refunds — Timely Return of Funds

<table>
<tr><th>Student</th><th colspan="2">Title IV Aid
(non-FFEL)</th><th>FFEL</th></tr>
<tr><td>Official Withdrawal
or
Expulsion</td><td colspan="2">30 days from later of:
• last date of attendance
• date student notifies school of withdrawal</td><td>60 days from later of:
• last date of attendance
• date student notifies school of withdrawal</td></tr>
<tr><td>Unofficial Withdrawal (drop out)</td><td>30 days from:
• date school has determined student has withdrawn</td><td>30 days from earliest of:
• date of determination
• end of term
• end of period of enrollment for which student was charged</td><td>60 days from:
• date school has determined student has withdrawn</td></tr>
<tr><td>Unapproved Leave of Absence (LOA)</td><td colspan="2">30 days from:
• student's last date of recorded attendance</td><td>60 days from:
• student's last date of recorded attendance</td></tr>
<tr><td>Never Return from Approved Leave of Absence (LOA)</td><td colspan="3">30 days from earlier of:
• end of LOA
• date student notifies school</td></tr>
</table>

Answer Key

Checkpoint #1: Choosing Refunds

1. **Federal and Institutional**
2. **Pro Rata**
3. **Federal and Institutional**

Case Study – Doug at Stormont College

(For Doug's completed withdrawal record, see page _____)

Unpaid Charges

	$8, 500	Total institutional costs (A)
-	**$8,025**	Total paid to institutional costs (D)
=	**$ 475**	UNPAID CHARGES

Pro Rata Refund Calculation

	$8,450	Institutional costs (A1)
x	**60%**	% to be refunded (portion that remains)
=	**$5,070**	Initial refund
-	**$ 475**	Unpaid charges
=	**$4,595**	REFUND AMOUNT

Answer Key (cont'd)

State Refund Calculation

Step 1:

	$8,500	Institutional costs (A)
x	**75%**	% school may retain (from state policy)
=	**$6,375**	Initial amount retained by school
-	**$ 475**	Unpaid charges
=	**$5,900**	Amount school retains

Step 2:

	$8,025	Total paid to institutional costs (D)
-	**$5,900**	Amount school retains
=	**$2,125**	REFUND AMOUNT

Refund Distribution

3.	FFEL:	**$1,260**
8.	Perkins:	**$1,115**
9.	Pell:	**$1,150**
10.	FSEOG:	**$ 200**
12.	Other aid	**$ 870**

WARNING: DO NOT use without the accompanying instructions!!

WITHDRAWAL RECORD

1. Student Information

Name: Doug

Start Date: 9/1

Withdrawal Date/LDA: 10/9

Social Security Number: 500-00-0000

Length of Enrollment Period: 15 weeks *

Date of WD/LDA Determination: 10/9

2. Program Costs

* inst.	non-inst.			inst.	non-inst.		
✓		Tuition/Fees	$6,000			Personal/Living	
✓		Administrative Fee	$50			Dependent Care	
✓		Room & Board	$2,450			Disability Costs	
	✓	Books & Supplies	$200			Miscellaneous	
		Transportation				Miscellaneous	

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: $8,500 Ⓐ *

TOTAL Noninst. Costs: $200 Ⓑ *

TOTAL Aid Paid To Inst. Costs: $7,525 Ⓒ *

TOTAL Paid To Inst. Costs: $8,025 Ⓓ *

TOTAL Aid Paid as Cash: $200 Ⓔ *

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
9/1	Pell	$1,150 *		9/1	FSEOG		$200 *
9/1	Scholarship	$2,750 *		9/1	Doug	$500 *	
9/1	State Grant	$1,250 *					
9/1	Perkins	$1,115 *					
10/1	FFEL	$1,260 *					

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.) ☑ YES ☐ NO *

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period. ☑ YES ☐ NO *

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round DOWN to the nearest 10%:

- For credit-hour programs: WEEKS REMAINING / TOTAL WEEKS IN PERIOD = 9 * / 15
- For clock-hour programs:* HOURS REMAINING / TOTAL HOURS IN PERIOD = ______
- For correspondence programs: LESSONS NOT SUBMITTED / TOTAL LESSONS IN PERIOD = ______

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

- Administrative Fee (up to $100 or 5%, whichever is less) + $50 *
- Documented Cost of Unreturnable Equipment +
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): = $50 *

$8,500 * Ⓐ Total Institutional Costs − $50 * Total Excludable Inst. Costs = Pro Rata/Federal Refund Institutional Costs: $8,450 A1 *

* - blank in Case Study (Workbook page 7)

334 BEST COPY AVAILABLE

REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from the Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on the Withdrawal Record) may be retained at differing rates and then totaled.

	Noninstitutional Costs *(from Withdrawal Record)*			Expenses Actually Incurred *(from school's repayment policy)*
Room & Board		x	=	
Books & Supplies	$200	x 50%*	=	$100*
Transportation		x	=	
Personal/Living/Misc.		x	=	
	$200*	x 50%*	=	$100*
	TOTAL COSTS Ⓑ			**TOTAL INCURRED**

STEP TWO

Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

$200 Total Aid Paid as Cash (from Withdrawal Record) Ⓔ

- 0 Cash Paid from FFEL/Direct Funds*

= $200 **TOTAL CASH DISTRIBUTED**

STEP THREE

Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

$200* Total Cash Paid to Student (from Step Two)

- $100* Total Costs Incurred (from Step One)

= $100* **REPAYMENT AMOUNT TO BE DISTRIBUTED**

If this amount is less than $100, the stude owes no repayment.

REPAYMENT DISTRIBUTION—Prescribed by Regulation

TOTAL REPAYMENT

1. Federal Perkins Loan ....
2. Federal Pell Grant ....
3. FSEOG ....
4. Other Title IV Aid Programs ....
5. Other Federal, State, private, or institutional aid $100*

* - blank in Case Study (Workbook, page 10)

Resources

- The 1998-99 Federal Student Financial Aid Handbook, Chapter 3, Section 4
- 34 CFR 668.22
- DCL GEN-95-22
- The Verification Guide, Chapter 4

Session 27

Calculating Refunds and Repayments

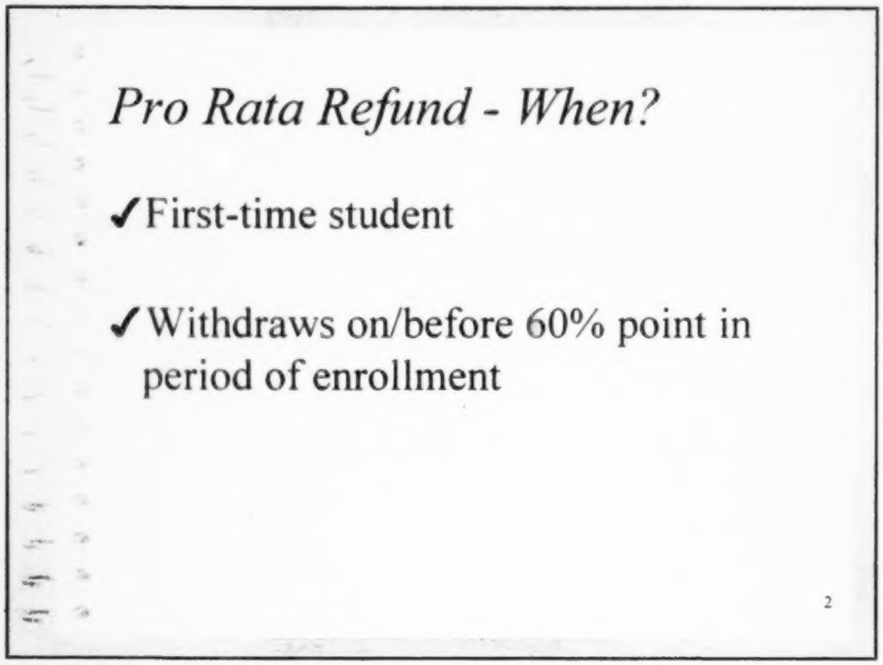
Levels of Refunds

Level 1

- Pro Rata
- State
- Accr. Agency

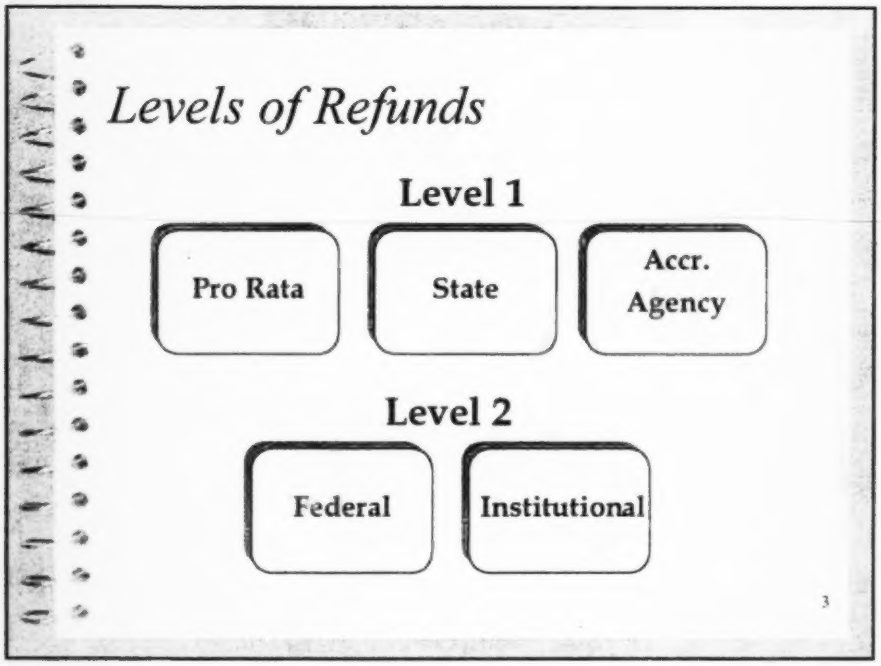
Level 2

- Federal
- Institutional



Pro Rata Refund - When?

- ✓ First-time student
- ✓ Withdraws on/before 60% point in period of enrollment



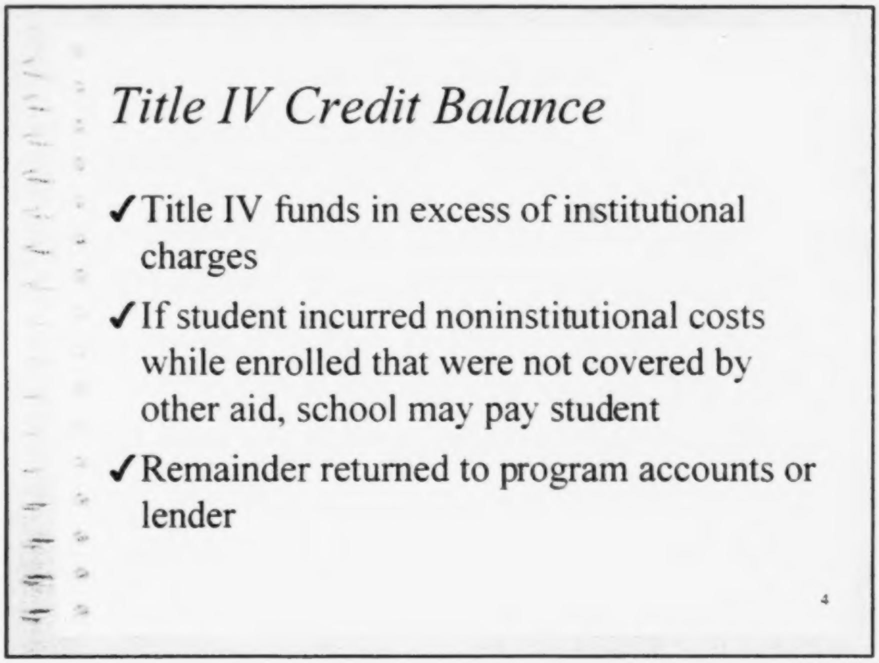
Levels of Refunds

Level 1

- **Pro Rata**
- **State**
- **Accr. Agency**

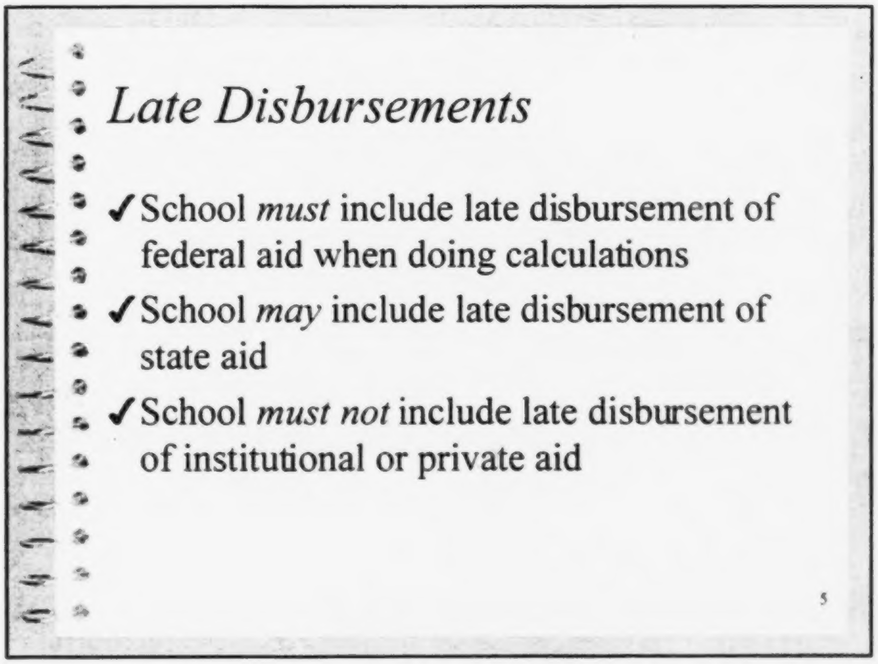
Level 2

- **Federal**
- **Institutional**



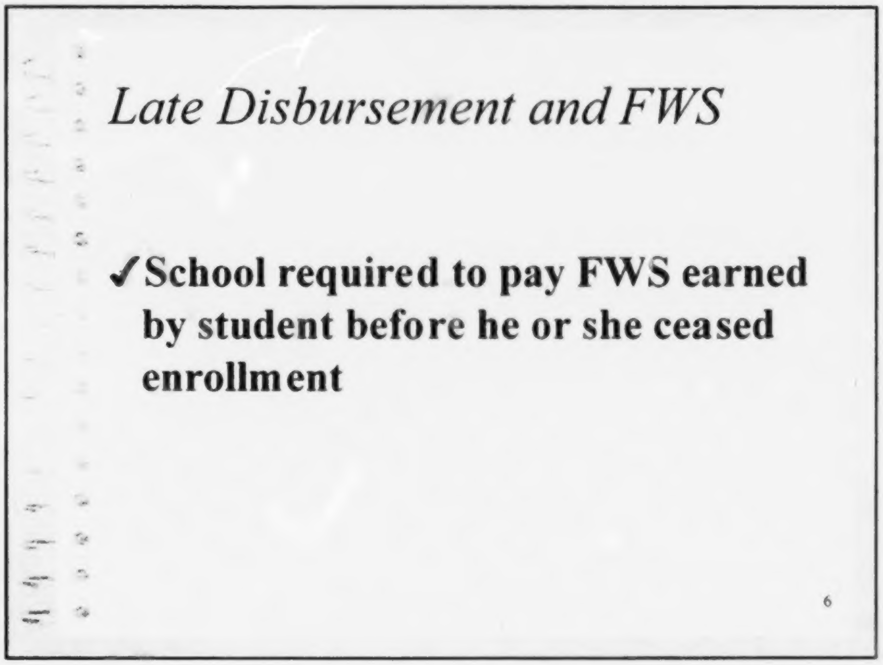
Title IV Credit Balance

- ✓ Title IV funds in excess of institutional charges
- ✓ If student incurred noninstitutional costs while enrolled that were not covered by other aid, school may pay student
- ✓ Remainder returned to program accounts or lender



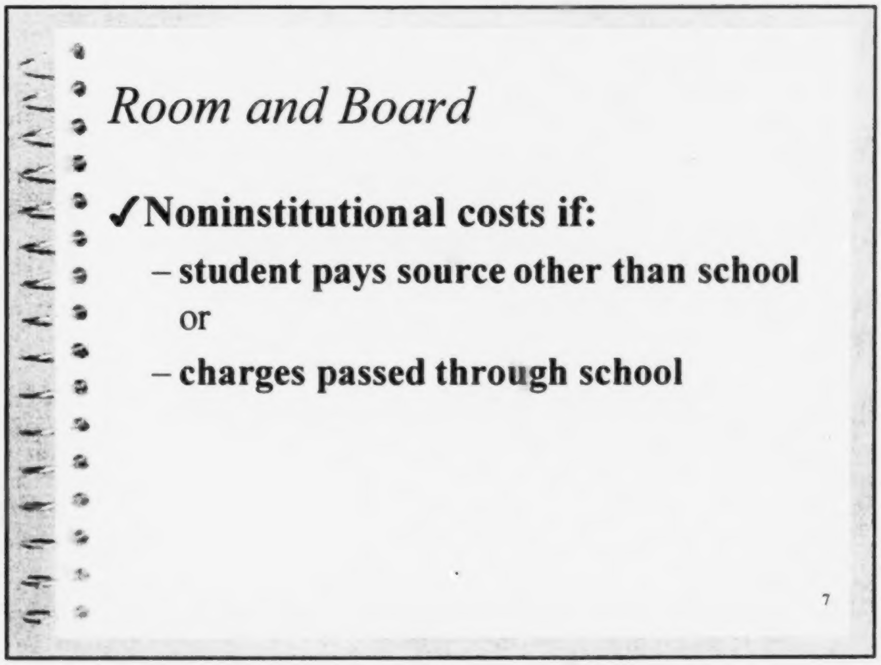
Late Disbursements

- ✓ School *must* include late disbursement of federal aid when doing calculations
- ✓ School *may* include late disbursement of state aid
- ✓ School *must not* include late disbursement of institutional or private aid



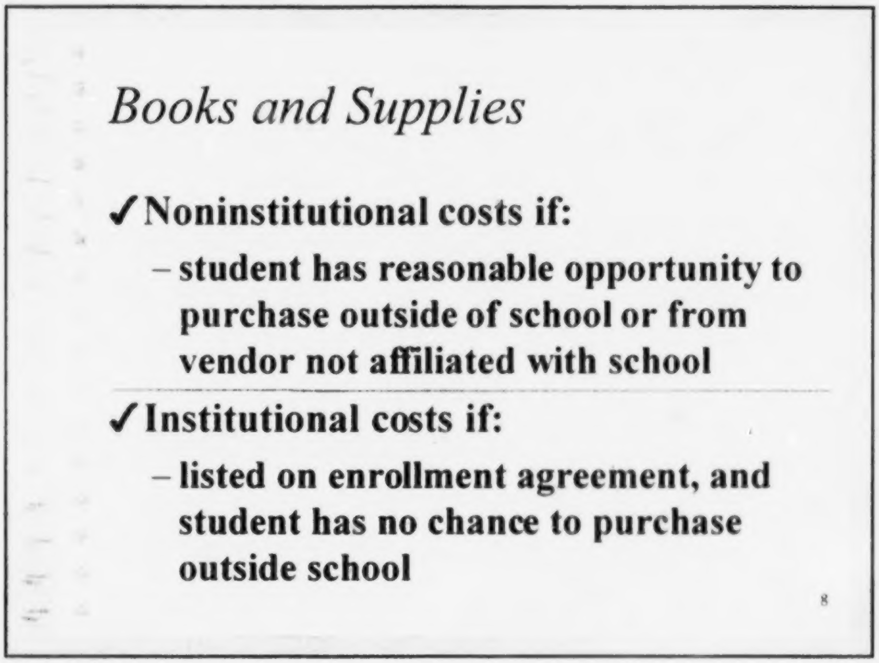
Late Disbursement and FWS

- ✓**School required to pay FWS earned by student before he or she ceased enrollment**



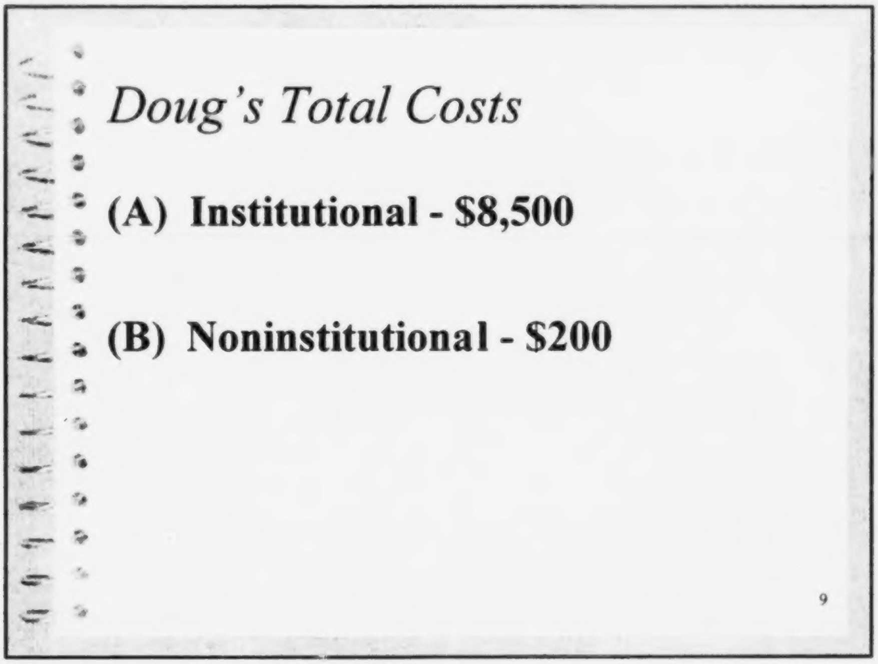
Room and Board

- ✓**Noninstitutional costs if:**
  - **student pays source other than school** or
  - **charges passed through school**



Books and Supplies

- ✓ **Noninstitutional costs if:**
  - **student has reasonable opportunity to purchase outside of school or from vendor not affiliated with school**
- ✓ **Institutional costs if:**
  - **listed on enrollment agreement, and student has no chance to purchase outside school**



Doug's Total Costs

(A) Institutional - $8,500

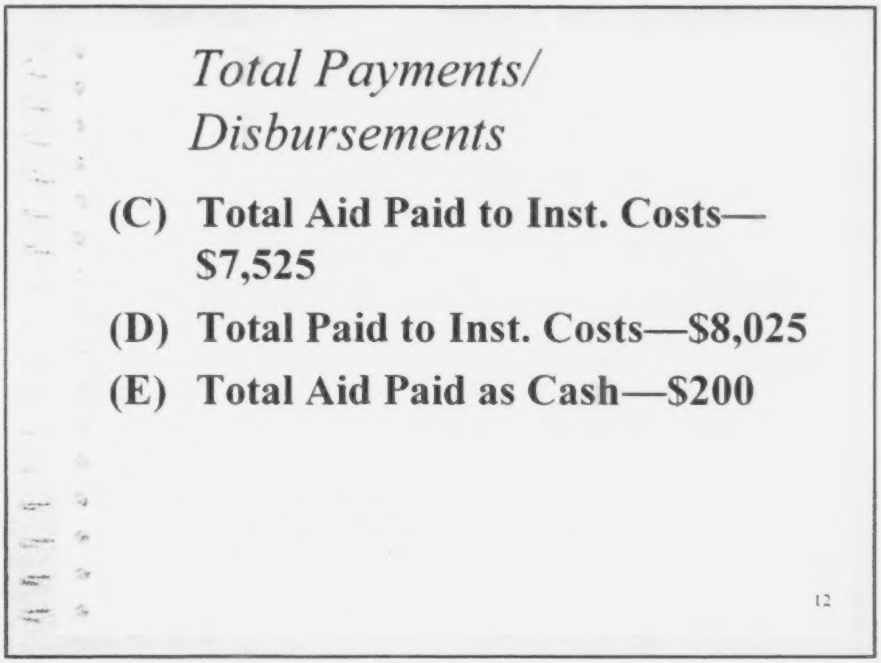
(B) Noninstitutional - $200

Payments/Disbursements for Institutional Costs

✓ **$1,150 - Pell**
✓ **$2,750 - Scholarship**
✓ **$1,250 - State grant**
✓ **$1,115 - Perkins**
✓ **$1,260 - Subsidized FFEL**
✓ **$ 500 - The student**

Payments/Disbursements for Noninstitutional Costs

$200 from FSEOG paid in cash to the student

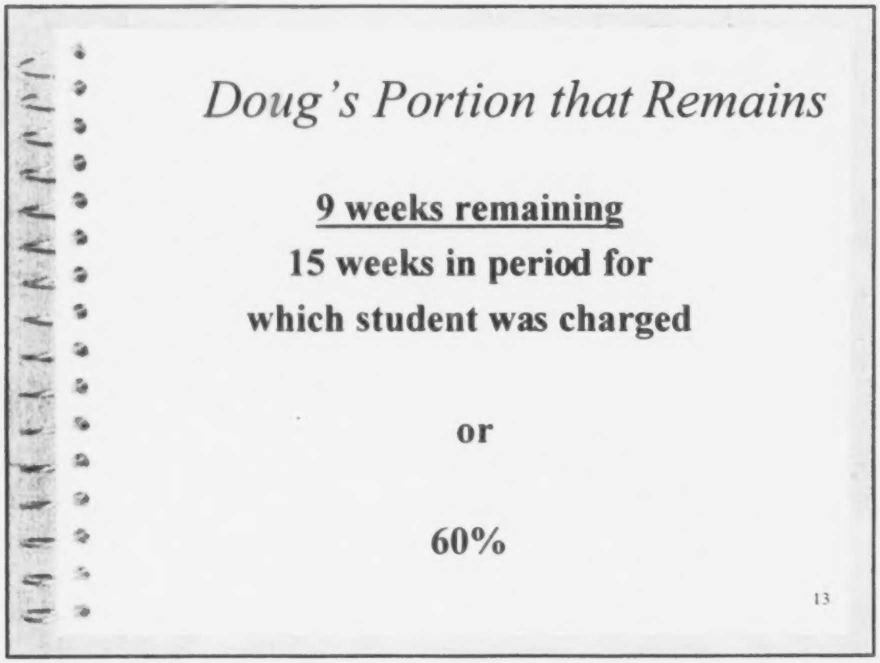


Total Payments/ Disbursements

(C) Total Aid Paid to Inst. Costs—$7,525

(D) Total Paid to Inst. Costs—$8,025

(E) Total Aid Paid as Cash—$200

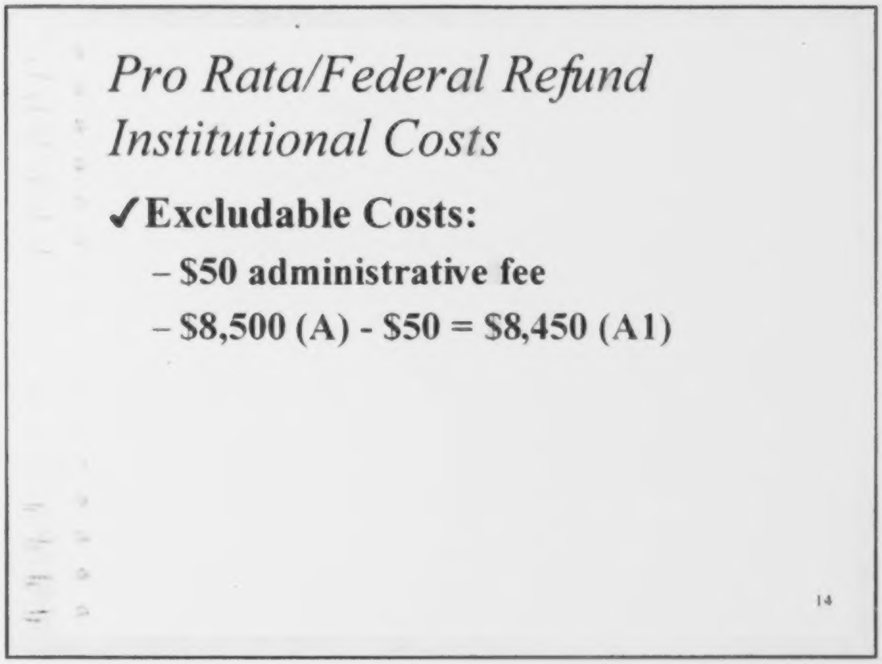


Doug's Portion that Remains

9 weeks remaining
15 weeks in period for
which student was charged

or

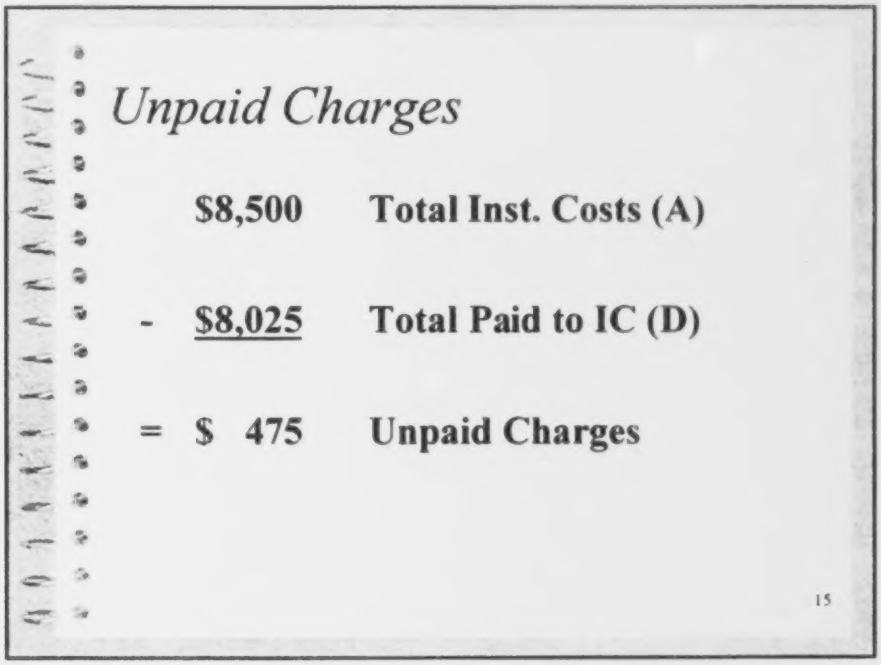
60%



Pro Rata/Federal Refund Institutional Costs

✓**Excludable Costs:**

- **$50 administrative fee**
- **$8,500 (A) - $50 = $8,450 (A1)**

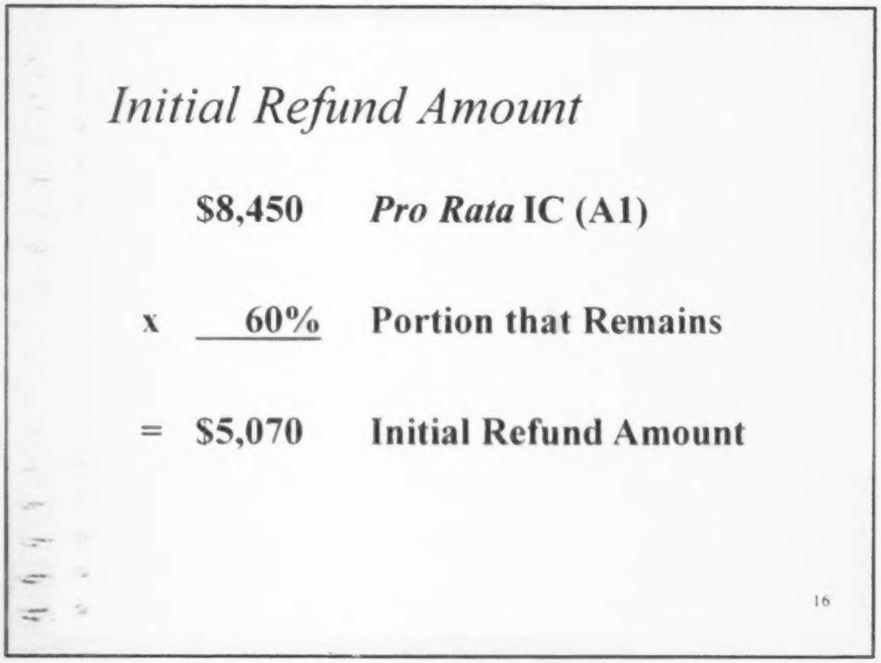


Unpaid Charges

$8,500 Total Inst. Costs (A)

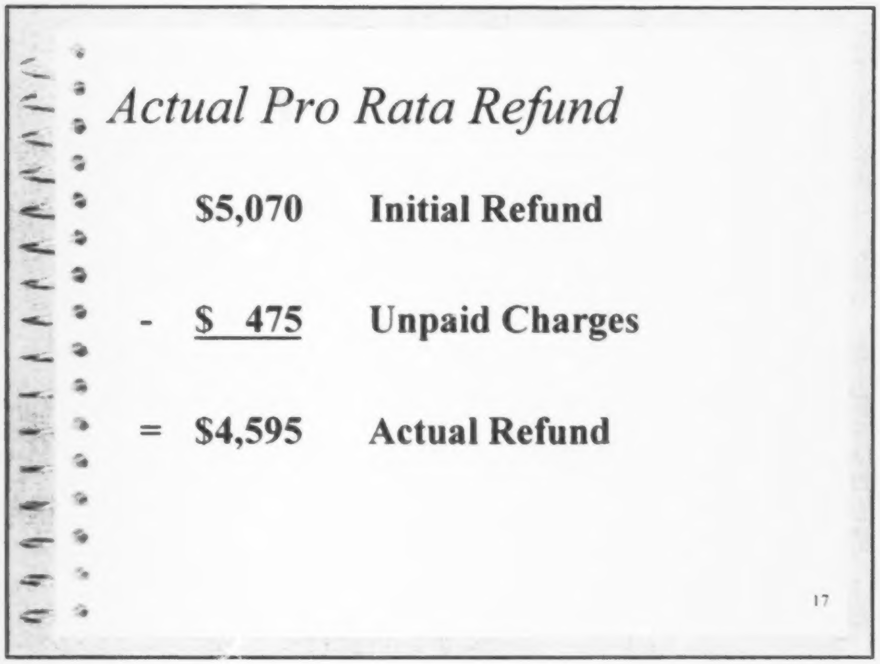
- $8,025 Total Paid to IC (D)

= $ 475 Unpaid Charges



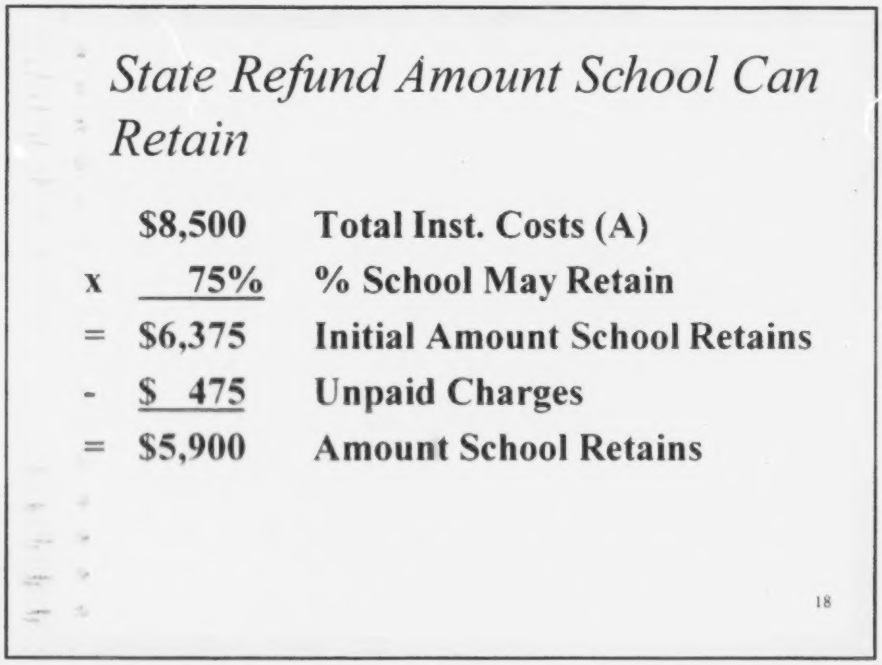
Initial Refund Amount

	$8,450	***Pro Rata*** **IC (A1)**
x	60%	**Portion that Remains**
=	$5,070	**Initial Refund Amount**



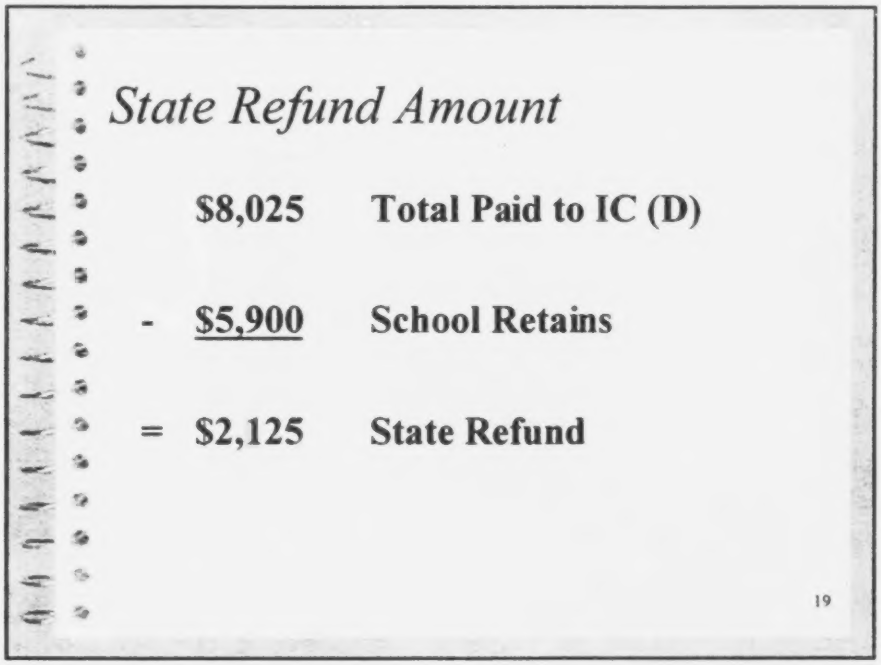
Actual Pro Rata Refund

	$5,070	**Initial Refund**
-	$ 475	**Unpaid Charges**
=	$4,595	**Actual Refund**



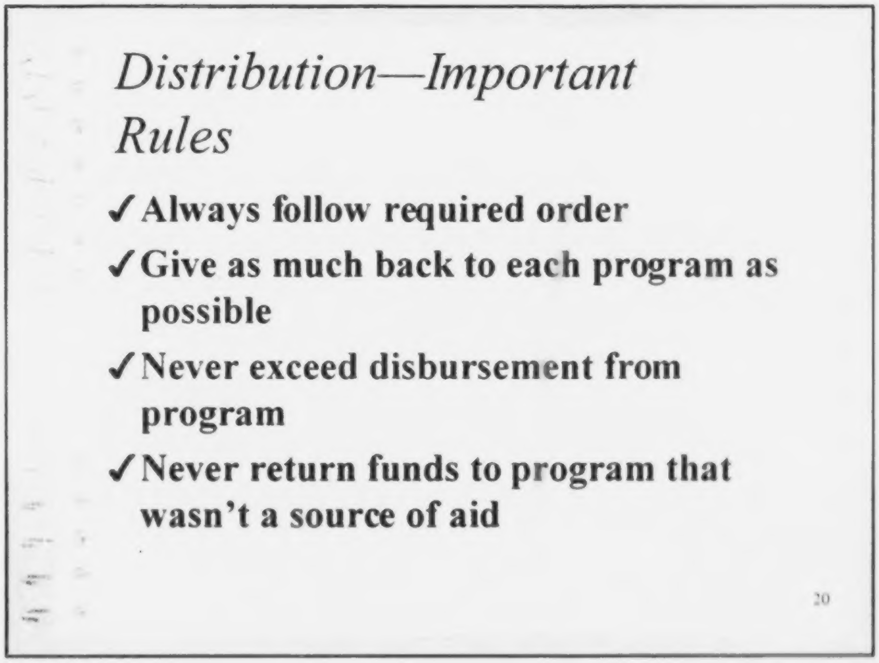
State Refund Amount School Can Retain

	$8,500	**Total Inst. Costs (A)**
x	75%	**% School May Retain**
=	$6,375	**Initial Amount School Retains**
-	$ 475	**Unpaid Charges**
=	$5,900	**Amount School Retains**



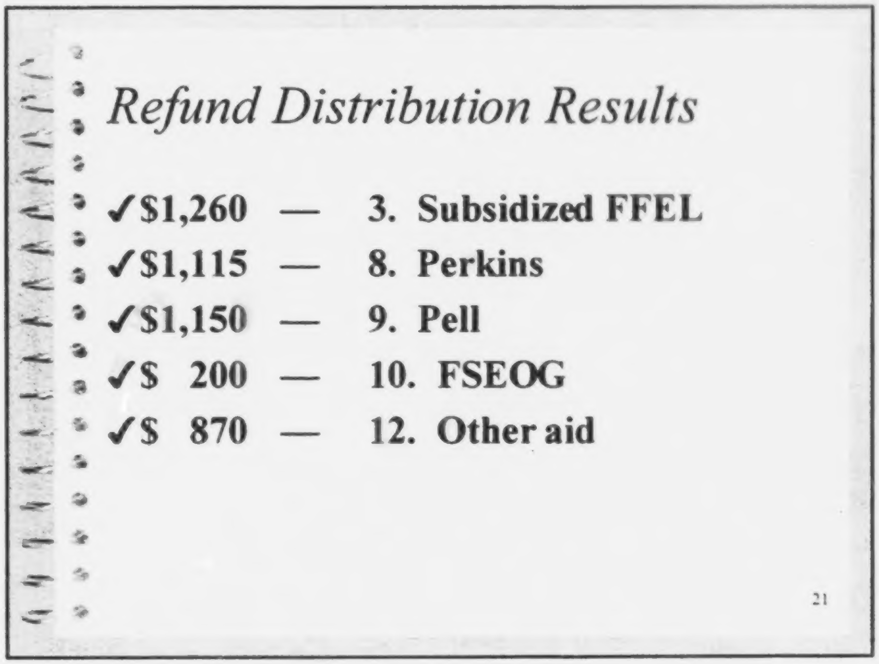
State Refund Amount

	$8,025	**Total Paid to IC (D)**
-	$5,900	**School Retains**
=	$2,125	**State Refund**



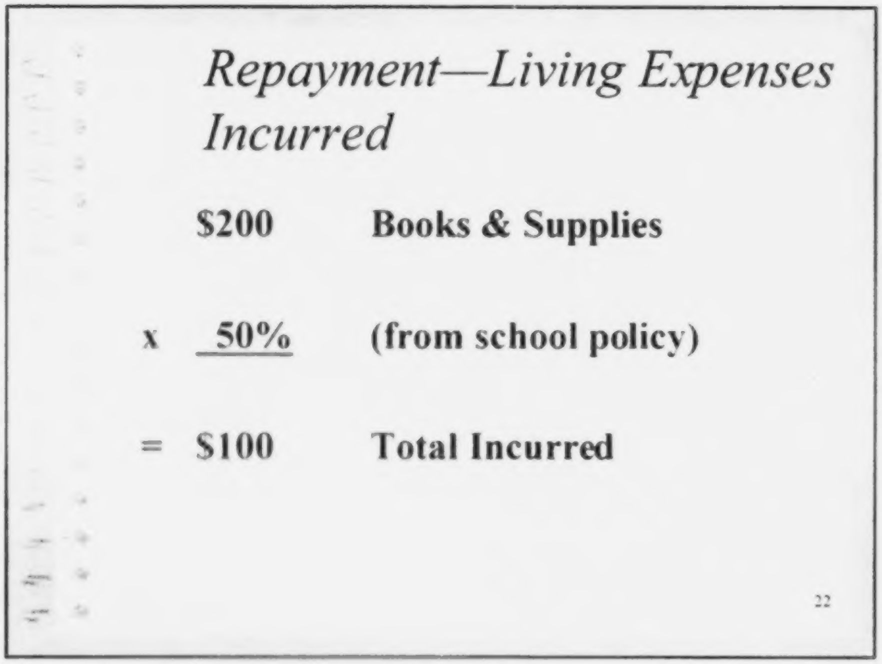
Distribution—Important Rules

- ✓ **Always follow required order**
- ✓ **Give as much back to each program as possible**
- ✓ **Never exceed disbursement from program**
- ✓ **Never return funds to program that wasn't a source of aid**



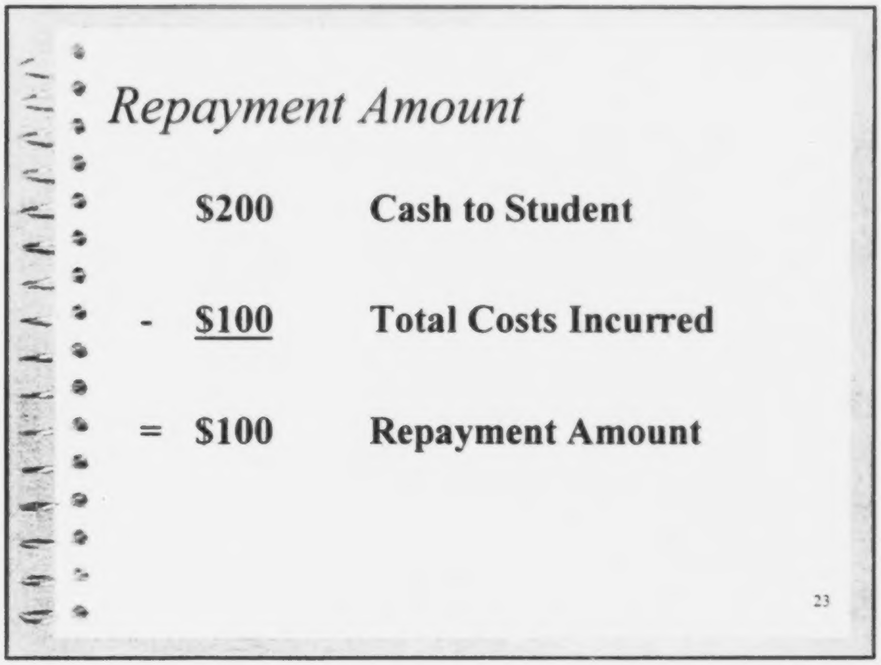
Refund Distribution Results

- ✓ **$1,260 — 3. Subsidized FFEL**
- ✓ **$1,115 — 8. Perkins**
- ✓ **$1,150 — 9. Pell**
- ✓ **$ 200 — 10. FSEOG**
- ✓ **$ 870 — 12. Other aid**



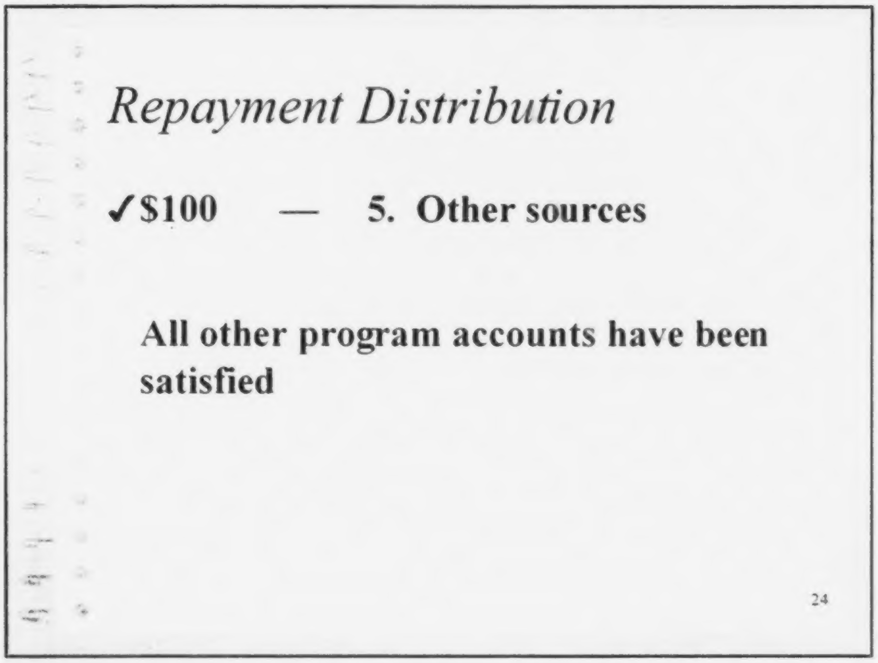
Repayment—Living Expenses Incurred

	$200	**Books & Supplies**
x	50%	**(from school policy)**
=	$100	**Total Incurred**



Repayment Amount

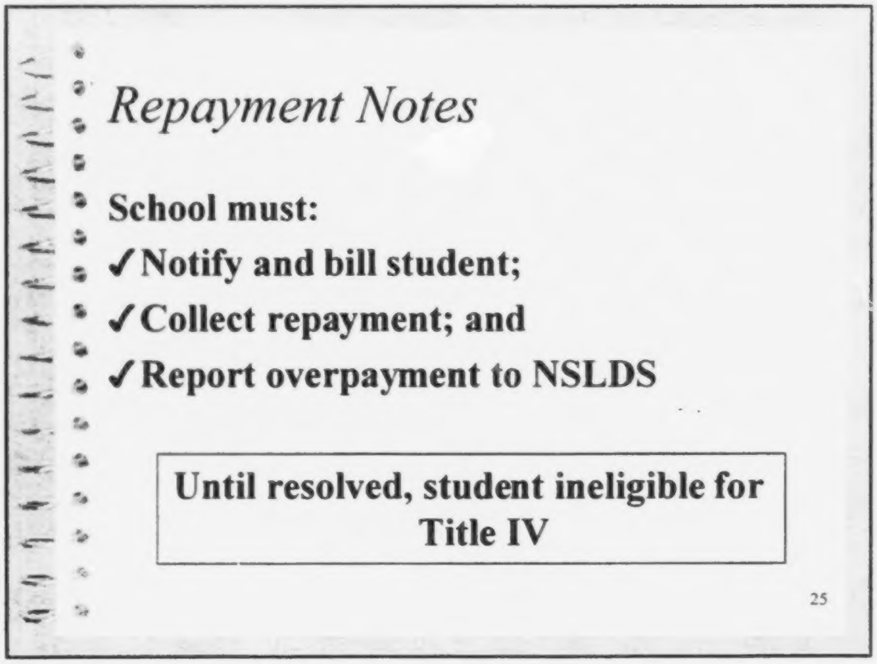
	$200	**Cash to Student**
-	$100	**Total Costs Incurred**
=	$100	**Repayment Amount**



Repayment Distribution

✓$100 — 5. Other sources

All other program accounts have been satisfied



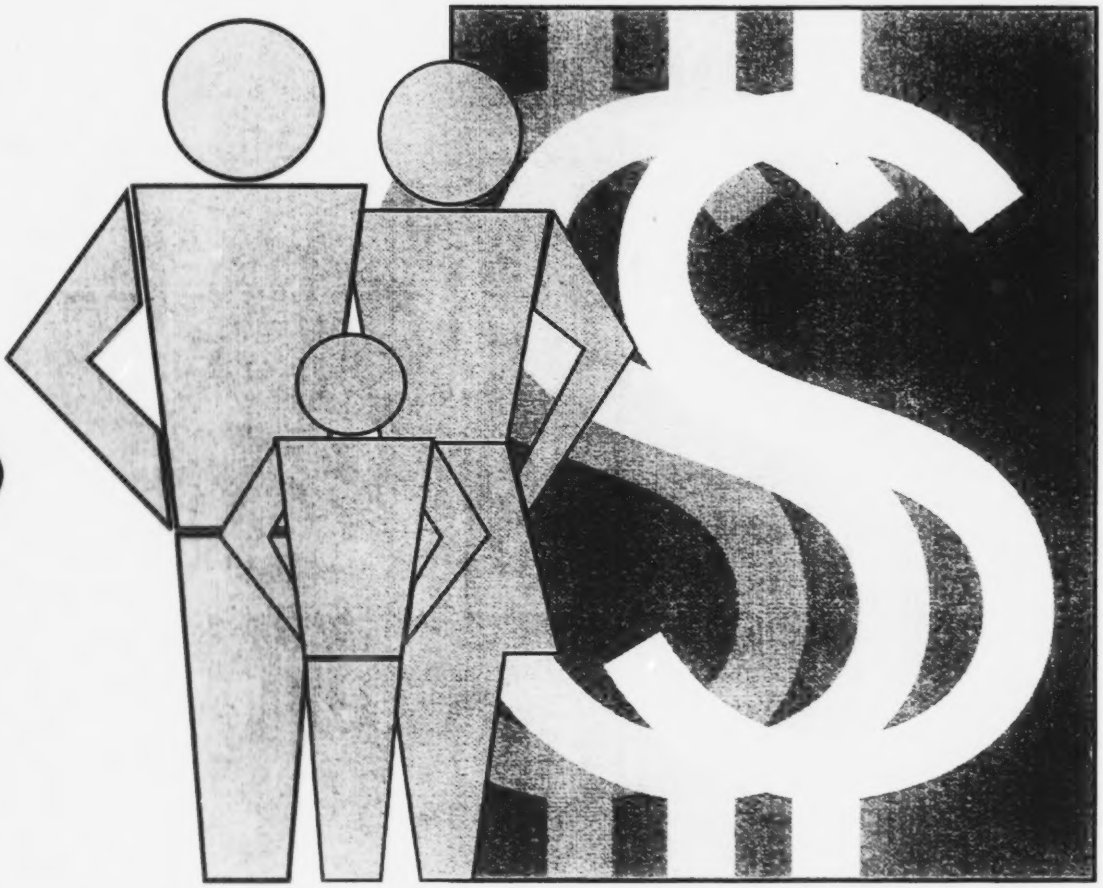
Repayment Notes

School must:

- ✓Notify and bill student;
- ✓Collect repayment; and
- ✓Report overpayment to NSLDS

Until resolved, student ineligible for Title IV

Acronyms



Appendix A

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education

Acronyms - Appendix A

The symbol Δ indicates acronyms that are no longer in use but are provided for your information.

-A-

AAI Adjusted Available Income

ACA Administrative Cost Allowance

ACCSCT Accrediting Commission for Career Schools and Colleges of Technology

ACH/EFT Automated Clearinghouse/Electronic Funds Transfer

ACICS Accrediting Council for Independent Colleges and Schools

ACN Audit Control Number

ACT American College Testing

ADC Aid to Dependent Children

ADP Automated Data Processing

AFDC Aid to Families with Dependent Children

AGI Adjusted Gross Income

AI Available Income

AICPA American Institute of Certified Public Accountants

AICS Δ The Association of Independent Colleges and Schools (consolidated with NATTS in the fall of 1991 to form the CCA)

ANN Announcement "Dear Colleague" Letters

AOS Application Ordering System

APA [Educational Savings and] Asset Protection Allowance

APC Adjusted Parents' Contribution

ATB Ability to Benefit

ATI Available Taxable Income

AVR Automated Voice Response

AY Academic Year

-B-

BBAY Borrower-Based Academic Year

BBS (See *SFA BBS*)

-C-

CAN Common Accounting Number

CAP Corrective Action Plan

CB Campus-based programs and campus-based "Dear Colleague" Letter

CBO Congressional Budget Office

CCA Career College Association

CEO Chief Executive Officer

CFAR Δ Comprehensive Financial Aid Report (American College Testing)

CFR Code of Federal Regulations

CM Δ Congressional Methodology

COA Cost of Attendance

COHEAO Coalition of Higher Education Assistance Organizations

CPA Certified Public Accountant

CPS Central Processing System

CR Credit

CS/JLD Δ Community Service Job Location and Development Program (formerly a separate program, but its functions are now part of the Job Location and Development [JLD] Program under the FWS Program)

CSL Community Service Learning Program (formerly a separate program, but its functions are now part of the FWS Program)

CSS College Scholarship Service

CT Central Time

CTI Contribution from Taxable Income

CWS Δ College Work-Study (now called Federal Work-Study or FWS Program)

-D-

DCL "Dear Colleague" Letter

DCS Debt Collection Service

DIC Dependency and Indemnity Compensation

DL Direct Loan "Dear Colleague" Letter

DMRS Deposit Message Retrieval System

DNW Discretionary Net Worth

DR Debit

DRN **Data Release Number**

DRAP Default Reduction Assistance Program

-E-

EA Employment Allowance

EAC **Electronic Access Code**

EADA Equity in Athletics Disclosure Act of 1994

EASFAA Eastern Association of Student Financial Aid Administrators

EASI [Project] Easy Access for Students and Institutions

ED U.S. Department of Education

EDCAPS ED Central Automated Processing System

EDE Electronic Data Exchange

EDGAR Department of Education General Administration Regulations

EFA Estimated Financial Assistance

EFC Expected Family Contribution

EFN Exceptional Financial Need

EFT Electronic Funds Transfer (See also *ACH/EFT*)

EIN Entity Identification Number

ELO Expanded Lending Option

EOC Educational Opportunity Center

EPPD **Electronic Pell Payment Data**

EPPPD **Electronic Processed Pell Payment Data**

EPI Electronic Payment Information

EPPV Δ Electronic Processed Payment Voucher (now called Processed Payment Data [PPD])

EPV Δ Electronic Payment Voucher (now called Payment Data)

ESAR Δ Electronic Student Aid Report (now called Institutional Student Information Record [ISIR])

ESOA Electronic Statement of Account

EST Eastern Standard Time

ET Eastern Time

-F-

FAA Financial Aid Administrator

FAD Final Audit Determination

FADHPS Financial Assistance for Disadvantaged Health Professions Students

FAFSA Free Application for Federal Student Aid

FAO Financial Aid Office *or* Financial Aid Officer

FAT Financial Aid Transcript

FC Δ Family Contribution (a former term for the Expected Family Contribution [EFC])

FCC Federal Capital Contribution

FEDWIRE (Automated FEDWIRE) U.S. Treasury Financial Communication System/Deposit Message Retrieval System *or* Federal Reserve Communications System (not a U.S. Treasury wire transfer system)

FERPA Family Education Rights and Privacy Act

FFEL Federal Family Education Loan

FFY Federal Fiscal Year

FIPSE Fund for the Improvement of Postsecondary Education (in the U.S. Department of Education)

FISAP The Fiscal Operations Report and Application to Participate in Campus-Based Programs (FSEOG, FWS, and Federal Perkins Loan Programs)

FISL Federal Insured Student Loan (no new loans are issued, but old ones are still being collected)

FLD Final Letter of Determination

FMS Δ Financial Management Service for ED/PMS (in the U.S. Department of Education; now called Financial Services [FS])

FO Fiscal Officer

FPL Federal Perkins Loan

FRB Federal Reserve Bank

FRCS Federal Reserve Communications System

FROE Final Report of Expenditures

FS Financial Services (in the U.S. Department of Education; formerly called Accounting and Financial Management Services [AFMS] and Financial Management Service [FMS])

FSEOG Federal Supplemental Educational Opportunity Grant (formerly SEOG)

FT Full Time

FTS Federal Telecommunications System

FWS Federal Work-Study (formerly College Work-Study [CWS]) Program

FY Fiscal Year

-G-

G Guaranty Agency "Dear Colleague" Letter

GA Guaranty Agency

GAO General Accounting Office

GAPS Grant Administration & Payment System

GAS Government Auditing Standards

GED General Education Development Certificate

GEIS GE Information Services (EDE network provider)

GEN General "Dear Colleague" Letter

GLOS Guarantor and Lender Oversight Staff (in the U.S. Department of Education)

GPA Grade Point Average

GPO Government Printing Office

GSL Δ Guaranteed Student Loan (formerly referred to as a specific type of loan, now renamed Federal Stafford Loan; also formerly used as a general term for the Stafford, SLS, PLUS, and Consolidation Loan Programs, now renamed the Federal Family Education Loan [FFEL] Program)

-H-

HBCUs Historically Black Colleges and Universities

HEA Higher Education Act of 1965, as amended

HEAL Health Education Assistance Loan

HPSL Health Professions Student Loan Program

-I-

IAM Integrated Application Menu

ICC Institutional Capital Contribution

ICR Income Contingent Repayment Plan

IDPS Institutional Default Prevention System

IFAP Information for Financial Aid Professionals

IHE Institution of Higher Education

INS Immigration and Naturalization Service

IPA Income Protection Allowance

IPEDS Integrated Postsecondary Education Data System, an annual report to ED filed by an institution (This was preceded by the Higher Education General Information Survey [HEGIS] report)

IPOS Institutional Participation and Oversight Service (in the U.S. Department of Education)

IPS Institutional Payment Summary (for Federal Pell Grants)

IQAP Δ Institutional Quality Assurance Program (in the U.S. Department of Education; now called Quality Assurance Program)

IRA Individual Retirement Account

IRQF Information Request Form

IRS Internal Revenue Service

IRVF Information Review Form

ISAMS Integrated Student Aid Management System

ISIR Institutional Student Information Record

IVR Interactive Voice Response (ED/PMS) request mode

-J-

JLD Job Location and Development Programs

JTPA Job Training Partnership Act

-K-

No entries

-L-

L FFEL Program "Dear Colleague" Letter for lenders

LAN Local Area Network

LD Limited Distribution "Dear Colleague" Letter

LDA Last Day of Attendance

LEEP Δ Law Enforcement Education Program

LOA Leave of Absence *or* Letter of Application

LOE Level of Expenditure

LS&T Limitation, Suspension, or Termination

-M-

MASFAA Midwest Association of Student Financial Aid Administrators

MDE Δ Multiple Data Entry

MISAA Middle Income Student Assistance Act of 1978

-N-

NAACS National Association of Accredited Cosmetology Schools

NACCAS National Accrediting Commission of Cosmetology Arts and Sciences

NACUBO National Association of College and University Business Officers

NAS Need Analysis Servicer *or* Need Analysis System

NASEA National Association of Student Employment Administrators

NASFAA National Association of Student Financial Aid Administrators

NATTS Δ National Association of Trade and Technical Schools (consolidated with AICS in the fall of 1991 to form the CCA)

NCHELP National Council of Higher Education Loan Programs

NCS National Computer Systems

NDEA National Defense Education Act

NDSL National Direct Student Loan Program *or* National Defense Student Loan Program

NFC National Finance Center

NIH National Institutes of Health

NPRM Notice of Proposed Rulemaking

NRM Negotiated Rulemaking

NSF Non-Sufficient Funds

NSLDS National Student Loan Data System

NSSP National Science Scholars Program (no funding beginning 1996-97)

-O-

OC Object Classification Code

OCFO Office of the Chief Financial Officer

OCR Office for Civil Rights (in the U.S. Department of Education)

OGC Office of the General Counsel (in the U.S. Department of Education)

OIG Office of the Inspector General (in the U.S. Department of Education)

OMB Office of Management and Budget

OPE Office of Postsecondary Education (in the U.S. Department of Education)

OPM Office of Personnel Management

OSFA Δ Office of Student Financial Assistance (in the U.S. Department of Education; now called Student Financial Assistance Programs [SFAP])

-P-

P Federal Pell Grant "Dear Colleague" Letter

PAN Payee Account Number

PAS Presidential Access Scholarship *or* Primary Accounting System

PC Parental Contribution *or* Personal Computer

PCA Parents' Contribution from Assets *or* Pre-Claims Assistance

PDD Policy Development Division (in the U.S. Department of Education)

PDL Program Determination Letter

PGI Δ Pell Grant Index (a former term for Expected Family Contribution [EFC])

PGRFMS Pell Grant Recipient and Financial Management System

PHEAA Pennsylvania Higher Education Assistance Agency

PIPD Performance Improvement and Procedures Division (in the U.S. Department of Education)

P. L. Public Law

PLUS Parent Loans for Undergraduate Students (now used only as an acronym)

PMS Payment Management System

PPA Program Participation Agreement

PPV Δ Processed Payment Voucher

PRCN Program Review Control Number

PRD Program Review Determination

PSS Program Systems Service (in the U.S. Department of Education; formerly Division of Program Operations and Systems)

PT Part Time

PTAS Policy, Training, and Analysis Service (in the U.S. Department of Education)

PV Δ Payment Voucher (See *Payment Document*)

-Q-

QA Quality Assurance

QAP Quality Assurance Program (in the U.S. Department of Education; formerly Institutional Quality Assurance Program)

QC Quality Control

-R-

RDE Recipient Data Exchange

REPS Restored Entitlement Benefits for Survivors—Section 156

RIGA Regional Inspector General for Audit

RMASFAA Rocky Mountain Association of Student Financial Aid Administrators

RO Regional Office

ROTC Reserve Officers' Training Corps

-S-

SAO Statement of Account

SAP Satisfactory Academic Progress

SAR Student Aid Report

SASFAA Southern Association of Student Financial Aid Administrators

SAY Scheduled Academic Year

SC Student Contribution

SCA Student Contribution from Assets

SCP Scheduled Cash Payment

SEOG Δ Supplemental Educational Opportunity Grant (now FSEOG)

SF Standard Form

SFA Student Financial Aid (programs)

SFA BBS Student Financial Assistance Bulletin Board System

SFAP Student Financial Assistance Programs (in the U.S. Department of Education)

SG State (SSIG) "Dear Colleague" Letter

SIC Student's Income Contribution

SLMA Student Loan Marketing Association, also called "Sallie Mae"

SLRA Student Loan Reform Act of 1993

SLS Δ Federal Supplemental Loans for Students (no new loans are issued, but old loans are still being collected)

SNT Simplified Needs Test

SOA Statement of Account

SPCA Supplemental Pre-Claims Assistance

SPRE Δ State Postsecondary Review Entity

SPRP Δ State Postsecondary Review Program

SPS Student Payment Summary

SSA Social Security Administration

SSCR Student Status Confirmation Report

SSIG State Student Incentive Grant

SSN Social Security Number

STX State and Other Tax Allowance

SWASFAA Southwestern Association of Student Financial Aid Administrators

-T-

TC Total Contribution

TFCS U.S. Treasury's Financial Communications System (This is a method to request funds under ACH/EFT in ED/PMS)

TI Total Income

TIV WAN Title IV Wide Area Network

TPID Training and Program Information Division (in the U.S. Department of Education)

TRIO HEA federal outreach programs for disadvantaged students: Educational Opportunity Centers, Talent Search, Upward Bound, Upward Bound—Math/Science, Ronald E. McNair Post-Baccalaureate Achievement, Training Program for Special Programs Staff and Leadership Personnel, and Student Support Services

-U-

UM Δ Uniform Methodology

U.S.C. United States Code (of law)

-V-

VA U.S. Department of Veterans Affairs

VEAP Post-Vietnam Veterans Educational Assistance Program

VISTA Volunteers in Service to America

-W-

WAN Wide Area Network

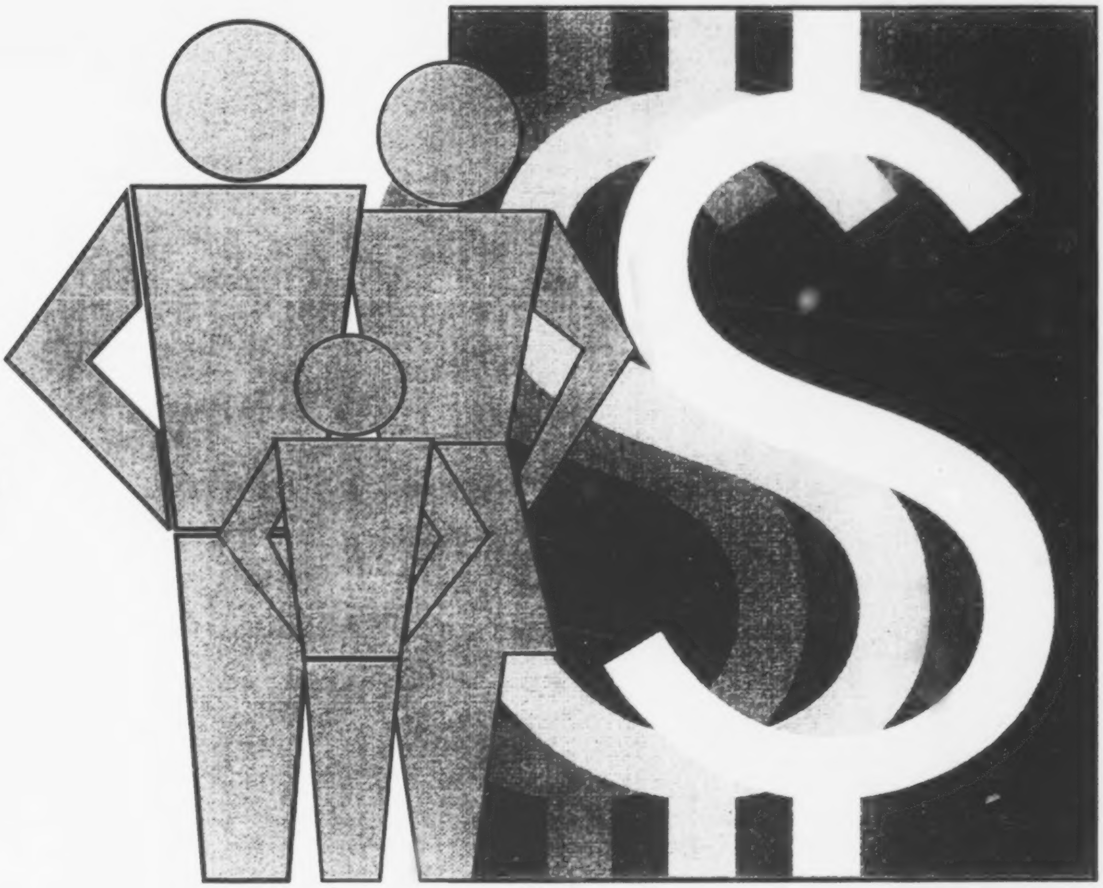
WASFAA Western Association of Student Financial Aid Administrators

-X, Y, Z-

No entries

557

Glossary



Appendix B

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U.S. Department of Education

Glossary - Appendix B

The symbol, Δ, indicates terminology that is no longer in use or programs that have been eliminated or renamed. The terminology is included as background information.

A-

Ability to Benefit (ATB) A postsecondary education eligibility standard for persons who:

(a) do not have a high school diploma or its recognized equivalent and

(b) are beyond the age of compulsory school attendance.

To be eligible to receive federal student financial aid, the Higher Education Act, as amended, requires these persons to pass an independently administered test approved by the U.S. Secretary of Education.

Academic Year (AY) A time period of at least 30 instructional weeks in which a full-time undergraduate student is expected to complete:

- 24 semester or trimester hours or 36 quarter hours at an institution using credit hours in an educational program whose length is measured in credit hours, *or*
- at least 900 clock hours at an institution using clock hours.

However, there is an exception for those schools with at least a two-year or four-year academic program with an associate or bachelor's degree. Those schools may request, in writing, that ED reduce the minimum period of instructional time of the academic year for any of its programs as long as they are at least 26 weeks in length.

Acceptable Documentation Written documents, such as U.S. income-tax returns and signed statements from the applicant and the applicant's family, that substantiate information reported on a student aid application. The *Verification Guide* lists documents accepted as proof that applicant data are accurate. See also *Documentation* and *Verification*.

Accepted With Assumptions A category of Federal Pell Grant processed payment data that was found to be inaccurate but for which the Pell Grant Recipient and Financial Management System (PGRFMS) made certain assumptions during processing. A school must review the records carefully and resubmit them if corrections are necessary. See also *Processed Payment Data*.

Accepted Without Changes or Assumptions A category of Federal Pell Grant processed payment data returned to a school by the Pell Grant Recipient and Financial Management System (PGRFMS) that the school must keep on file. A school should not resubmit these records to the Central Processing System (CPS) unless the award-year data change. See also *Processed Payment Data*.

Accounting Period A time period for which financial records are maintained and, at the end of which, financial statements are prepared.

Accredited Institution Any school or institution that meets standards established by a nationally recognized accrediting agency or association. See also *Accrediting Agency, Nationally Recognized Accrediting Agency or Association*, and *Preaccredited Institution*.

Accrediting Agency An agency that sets educational standards, evaluates institutions, and certifies that institutions have met its standards and is recognized by the U.S. Secretary of Education as a reliable authority in evaluating the educational quality of programs offered by postsecondary institutions. See also *Nationally Recognized Accrediting Agency or Association*.

Accrued Salaries Wages earned by students between the date that the students were last paid and the end of the accounting period being reported, but not yet paid to the students. The unpaid wages are considered a school liability.

ACH and ACH/EFT See *Automated Clearinghouse (ACH).*

Actual Interest Rate The annual interest rate a lender actually charges on a loan, which may be equal to or less than (but not more than) the loan's applicable interest rate.

Adjusted Gross Income (AGI) A specific income figure taken from a completed federal income-tax form filed in compliance with IRS regulations and guidelines.

Administrative Capability An institution must demonstrate specific areas in its management of its federal student financial aid programs, including:

- establishing and maintaining student records and financial records,
- submitting required ED reports,
- designating a capable financial aid administrator at the institution,
- writing procedures for school offices involved with federal student financial programs,
- communicating to the financial aid administrator all information received by any school office that might affect a student's federal student financial aid eligibility,
- dividing the functions of authorizing payments and disbursing loan funds,
- employing an adequate number of qualified staff, *and*
- participating in ED-provided electronic processes.

It also includes:

- providing adequate checks and balances,
- establishing, publishing, and applying reasonable standards of satisfactory academic progress for students,
- developing an adequate system to identify and resolve inconsistent information on documents,
- providing adequate financial aid counseling,
- providing all program and fiscal reports and financial statements required for compliance, *and*
- referring any instance of suspected fraud or criminal conduct by a federal student financial aid applicant to ED's Office of Inspector General.

Also, an institution must:

- not demonstrate any evidence of significant problems that affect its ability to administer Title IV funds,
- not have a student-loan cohort default rate of 25 percent or higher, *and*
- not appear to lack the ability to administer Title IV programs competently.

Administrative Cost Allowance (ACA) An amount the federal government allows an institution to offset for the cost of administering a Title IV program.

Administrative Offset An offset assessed by ED against a Title IV aid school to collect program review, audit, and formal fine debts. ED withholds portions of a school's GAPS payments and applies them toward the school's debt.

Advance Payment Method See *Automated Clearinghouse.*

Allocation A specific sum of money awarded for an institution to use during a specific period.

Campus-based funds (Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan) are allocated to an institution on an award-year basis. Allocation may also be referred to as obligation, award, grant, or Document Number.

Allocation Order A priority list, established by ED, that states the order in which refunds are to be made to federal financial aid program accounts if a student withdraws, drops below half-time status, is expelled, or drops out during the refund period. By law, refunds must be allocated to Title IV programs in a specified order, as follows:

(1) Federal Family Education Loan (FFEL) Program

(2) William D. Ford Federal Direct Loan Program

(3) Federal Perkins Loan Program

(4) Federal Pell Grant Program

(5) Federal Supplemental Educational Opportunity Grant (FSEOG) Program

(6) All other Title IV programs

See also *Refund* and *Refund Policy.*

Allowances Financial modifications included in need-analysis formulas to provide for a family's non-discretionary expenses or to allow them to shelter assets or income for retirement or emergency purposes. In establishing students' costs of attendance (COAs), allowances are reasonable amounts allotted by an institution to reflect most students' education expenses.

Appeal Procedure The process by which a school requests reconsideration of an adverse ED ruling, such as liabilities to redress audit or program review findings.

Appeal Process The process by which a student requests further consideration in the financial aid process after being denied aid.

Applicable Interest Rate The maximum annual interest rate that a lender may charge on a student loan.

Applicant Roster and Tape Service See *Institutional Student Information Record (ISIR).*

Appropriation At the federal level, a congressional legislative act allocating a specific amount of public funds to be spent for a specific purpose during a fiscal or award year. See also *Continuing Resolution.*

Assets Financial holdings, such as cash on hand in checking and savings accounts, trusts, stocks, bonds, other securities, loans, receivables, real estate (excluding the home), business equipment, and business inventory that must be reported on a student financial aid application. These are considered in determining a student's Expected Family Contribution (EFC). See also *Expected Family Contribution (EFC)* and *Education Savings and Asset Protection Allowance.*

Assignment A school's transfer of a defaulted National Defense Student Loan, National Direct Student Loan, or Federal Perkins Loan to ED for collection. Once ED accepts a loan, it acquires all rights, title, and interest on the assigned loan. In certain cases, guaranty agencies also assign defaulted loans under the FFEL Program to ED.

Audit An independent examination of a school's financial transactions, accounts, reports, and compliance with applicable laws and regulations to determine whether the institution is maintaining effective control over revenues, expenditures, assets, and liabilities; whether the institution is properly accounting for resources, liabilities, and operations; whether financial reports contain accurate, reliable, and useful financial information and are accurately presented; and whether the institution is complying with applicable laws, regulations, and ED directives. A financial audit also studies and evaluates the institution's internal accounting and administrative controls, as well as the policies, procedures, and practices used in administering student financial assistance programs. See also *Independent Audit.*

Audit Exceptions School actions found through an audit that are not in compliance with federal guidelines.

Audit Guide The reference manual published by ED that is designed to assist independent auditors performing audits of Title IV student financial aid programs.

Audit Report A report prepared by ED after a federal audit is performed. In a nonfederal audit, an audit report is a report prepared by an auditor or audit firm according to the guidelines provided in the *Audit Guide* and ED's "Dear Colleague" Letter GEN-92-17 (Non-Federal Technical Bulletin 92-1) *or* according to OMB Circulars A-128 or A-133. See also *Federal Audit*.

Audit Trail A clear (easily followed) trail that is provided by maintaining required documentation to support each school transaction that deals with receiving and spending federal funds.

Authorization (legislative) At the federal level, a congressional legislative act that establishes a program, specifies its general purpose and conduct and, unless open-ended, sets a ceiling for the dollar amount that can be used to finance it. An authorization must be enacted before dollar amounts can be appropriated for program spending.

Authorization (spending) The approved expenditure level for a program for an award year. Each award year, ED notifies each participating institution of its authorized levels of expenditures for the Federal Pell Grant and the campus-based programs. See also *Official Notice of Funding* and *Statement of Account (SOA)*.

Automated Clearinghouse (ACH) A nationwide, electronic financial network providing a paperless, efficient means of making payments by electronically transmitting debits and credits through the Federal Reserve Communications System. ACH payments offer a wide range of applications, including direct deposit and preauthorized debits. Also referred to as Automated Clearinghouse/Electronic Funds Transfer (ACH/EFT).

Automatic Zero EFC (Expected Family Contribution) A dependent student qualifies if the student's parents filed, or are eligible to file, an IRS Form 1040A or 1040EZ or are not required to file and the sum of both parents' adjusted gross incomes or earned incomes is $12,000 or less. An independent student with dependents other than a spouse qualifies if the student (and spouse, if applicable) filed or is eligible to file an IRS Form 1040A or 1040EZ *or* the student (and spouse, if applicable) is not required to file and the student's (and spouse's, if applicable) adjusted gross income(s) or earned income(s) is $12,000 or less. See also *Expected Family Contribution (EFC)*.

Award A specific amount of financial assistance to pay for education costs offered to a student through one or more financial aid programs.

Award Adjustment or Revision An action by a financial aid office resulting in an increase, decrease, program-source substitution, or cancellation of a student's financial aid award.

Award Letter A notification to student financial aid applicants outlining the types and amounts of aid being offered, as well as specific loan program information, student responsibilities, and the conditions that govern the award(s).

Award Packaging See *Packaging*.

Award Year The time period beginning July 1 of one year through June 30 of the following year for which financial aid awards are made. The award year differs from the federal fiscal year (beginning October 1 of one year through September 30 of the following year).

-B-

Base Year (for financial aid awards) The 12-month period ending on December 31 of the calendar year that precedes an award year. For example, calendar year 1997 is the base year for the 1998-99 award year.

Batch Report See *IPS Batch Report (Institutional Payment Summary Batch Report)*.

Bill At the federal level, proposed legislative measures before Congress are in the form of bills. They are designated as HR (House of Representatives) or S (Senate), according to the house in which they originate, and by a number assigned in the order in which they were introduced, starting from the beginning of each two-year congressional term. A bill becomes public law if it is approved by the Congress and signed by the President.

Billing Service A private-sector business organization that services loan accounts (billing and/or receiving) for lenders and schools. A fee is charged for the service.

Board (as in "room and board") The cost of a food allowance or meal plan. See also *Room.*

Branch Campus A location of a school that is geographically apart and independent of the school's main campus. To be independent, a location must be permanent in nature; offer courses in educational programs that lead to a degree, certificate, or other recognized educational credential; have its own faculty and administration; and have its own budget and hiring authority. Additionally, for accrediting purposes, the definition includes a location that offers at least 50 percent of an educational program. A branch campus must be individually certified to be eligible to participate in Title IV programs.

Budget Committees At the federal level, the House and Senate committees that prepare the budget resolutions determining the levels of funding for all federal programs.

Each committee holds hearings and reviews projections from Executive Departments, the Office of Management and Budget, and the Congressional Budget Office. See also *Budget Resolution.*

Budget Resolution (as in first and second budget resolution) At the federal level, the congressional measure that determines the total federal budget. The first budget resolution, generally passed in April or May, sets ceilings or spending targets for all federal programs. Its figures are not binding. The second budget resolution, generally passed in August or September, sets the limits of federal budget expenditures for the upcoming fiscal year, which starts on October 1. See also *Budget Committees.*

Business Assets Property used to operate a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. These are considered in determining a student's Expected Family Contribution (EFC). See also *Expected Family Contribution (EFC).*

Business Office The school office responsible for an institution's financial accounting, including Title IV aid program activity. The office disburses financial aid award payments to students and student accounts and processes loan checks. At various schools, it is sometimes referred to as the fiscal office, finance office, bursar's office, treasurer's office, or student accounts office. See also *Separation of Functions.*

Robert C. Byrd Honors Scholarship A Title IV financial aid program that makes scholarships available to full-time postsecondary students with exceptional ability and promise. Students apply for the merit-based scholarships through their state education agencies.

-C-

Campus-Based Programs The term applied to three federal Title IV student aid programs administered on campus by eligible institutions of postsecondary education:

- the Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Work-Study (FWS) Program, *and*
- the Federal Perkins Loan Program.

See also individual program names.

Cancellation (of a loan) This occurs when a borrower meets specific requirements that permit nullifying the borrower's obligation to repay a designated portion of principal and interest on a student loan. It may also be referred to as "discharge of a loan."

Capitalizing Interest A process in which a lender adds unpaid interest to the loan principal. Capitalizing is a way to postpone interest payment; it increases the amount of the principal and, consequently, the total loan amount that must be repaid.

Carry Back/Carry Forward A special provision of the Federal Work-Study (FWS) Program that allows an institution to transfer up to 10 percent of its annual FWS allocation back to the previous award year or forward to the next award year. In addition, a school may use carry-back funds from the current award year to pay student wages earned from May 15 through June 30 of the previous award year. See also *Federal Work-Study (FWS) Program*.

Cash Advance A transfer of funds from a federal agency account in the U.S. Treasury through the Federal Reserve Bank to a school.

Central Processing System (CPS) See *Federal Central Processing System (CPS)*.

Certificate of Citizenship A document for U.S. citizens born outside the U.S. that certifies they are U.S. citizens.

Certificate of Naturalization A U.S. Immigration and Naturalization Service (INS) document given to individuals who were not born in the U.S. when they become naturalized U.S. citizens.

Clock Hour The period of time consisting of: a 50-minute to 60-minute class, lecture, or recitation in a 60-minute period; or a 50-minute to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; *or* 60 minutes of preparation in a program of study by correspondence. Compare *Credit Hour*.

Clock-Hour Schools Institutions that measure academic programs in clock hours. See also *Academic Year (AY)* and *Clock Hour*. Compare *Credit Hour* and *Credit-Hour Schools*.

Code of Federal Regulations (CFR) The compilation of published federal requirements that appear in the *Federal Register*. Regulations implementing Title IV financial aid programs appear in Title 34 CFR.

Cohort Default Rate For the Federal Perkins Loan, Federal Stafford Loan Program, and Federal Direct Loan Program, the percentage of an institution's current and former students who entered student-loan repayment in a specific fiscal year on loans received for attendance at that institution and who defaulted before the end of the following fiscal year. For any fiscal year in which fewer than 30 students entered repayment, the percentage is determined on the basis of students who entered repayment as just described in any of the three most recent fiscal years and who defaulted before the end of the fiscal year immediately following the year they entered repayment. See also *Default*.

Collection Agency A private-sector business organization that attempts to collect on delinquent or defaulted student loans referred to it by a lender or school. A fee is charged for the service.

Collection Costs Reasonable costs incurred by using a collection agency or commercial skip-trace agency in an attempt to recover delinquent or defaulted student loan funds. See also *Collection Agency* and *Skip Tracing*.

Co-Maker Either of two individuals who are joint borrowers on a loan and who are equally liable for its repayment. Compare *Endorser*.

Comment Period A time period, usually of 45 days or 60 days from the date a Notice of Proposed Rulemaking (NPRM) is published in the *Federal Register*, during which interested parties are invited to submit comments.

Comments and Responses A section of a final regulations package published in the *Federal Register* that summarizes comments received from the public about an earlier proposed version of the regulations. In U.S. Department of Education regulations, the Secretary's responses to these comments are also included in this section. (The section often is part of the preamble that introduces the final version of the regulations; it also gives the date the rules become effective and a summary of the regulations' major provisions.) See also *Comment Period.*

Community Service Learning (CSL) A part of Federal Work-Study (FWS), Community Service Learning (CSL) jobs aim to develop, improve, and expand community services for low-income individuals and families to improve the quality of their lives. See also *Federal Work-Study.*

Commuting Student A student not living in housing provided by the postsecondary institution the student is attending.

Compliance Audit See *Audit* and *Independent Audit.*

Conference Committee On the federal level, a congressional committee made up of members of the House of Representatives and the Senate who meet to reconcile differences between the two houses' versions of a bill. Conference committee members are appointed by the Speaker of the House and the President of the Senate (the Vice President of the United States). See also *Bill.*

Confirmation Report See *Student Status Confirmation Report (SSCR).*

Conflicting Information Information, held by any office at a school, that conflicts with the information on a student's application for federal student aid. See also *Verification* and *Verification Items.*

Consolidation Loan A loan that combines multiple federal student loans into a single loan with one monthly payment. Title IV loan programs, the Health Professions Student Loan (HPSL) Program, the Health Education Assistance Loan (HEAL) Program, and the Nursing Student Loan Program (NSLP) may be consolidated. Compare *Federal Direct Consolidation Loan.*

Continuing Resolution At the federal level, congressional joint agreement between the House and Senate to continue appropriations for specific government agencies (at rates generally determined on the basis of previous fiscal-year appropriation levels) when Congress has not yet enacted an appropriation act for those agencies for the current fiscal year. A continuing resolution must pass both houses of Congress and be signed by the President. See also *Appropriation.*

Contribution from Earnings A percentage of a dependent student's base-year earnings that the student is expected to contribute to education costs. See also *Base Year.*

Corrective Action Plan (CAP) A written plan that an institution submits to ED to explain what reasonable and appropriate steps it will take to remedy any violation(s) of applicable laws or regulations.

Correspondence Course or Program A "home study" course provided by an institution to students who are partly or not at all physically attending classes. See also *Telecommunications Course.*

Cost of Attendance (COA) Tuition and fees, room and board expenses while attending school, allowances for books and supplies, transportation, loan fees (if applicable), dependent-care costs, costs related to a disability, study-abroad costs, and other miscellaneous expenses, as outlined in Section 472 of the HEA. See also *Source Document.*

Credit Hour The unit of measuring educational credit based on the number of classroom hours per week throughout a semester, trimester, or quarter term. Compare *Clock Hour.*

Credit-Hour Schools Schools with academic programs that measure progress by completed courses assigned specific numbers of credit hours. See also *Academic Year* and *Credit Hour.* Compare *Clock Hour* and *Clock-Hour Schools.*

-D-

Debt-Management Counseling Counseling for students on the subject of assuming debt and handling accumulated indebtedness.

Data Release Number (DRN) Appears on the student's SAR and SAR Information Acknowledgment; used by the student to make changes over the phone to certain SAR elements; used by schools to draw down ISIR.

Default For Perkins Loan: Failure of a borrower to make a loan-installment payment when due or to meet other terms of the signed promissory note or written repayment agreement.

For FFEL Program Loans: Failure to make a loan-installment payment (a) for 180 days on a loan repayable in monthly installments or (b) for 240 days on a loan repayable in less frequent installments.

For Direct Loans: Failure to make a loan-installment payment for 270 days on a loan repayable in monthly installments.

There can be serious legal consequences for student-loan defaulters. See also *Cohort Default Rate*.

Deferment (of a loan) A period of postponement during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of deferment requirements established by law. Interest continues to accumulate during deferment of an unsubsidized loan. Compare *Forbearance (on a loan)*.

Delinquent Borrower A student loan borrower who fails to make a loan-installment payment by or on its due date.

Delivery In the Federal Family Education Loan Program, the process of a school transmitting loan proceeds to a borrower. See also *Disbursement*.

Deobligation Action by ED reducing all or part of an institution's allocation for a Title IV program. Deobligation usually results from an institution releasing funds back to the federal government that will not be used during the period for which the funds were allocated. See also *Allocation* and *Supplemental Allocation*.

Departmental Scholarship An award of gift assistance specifically designated for a recipient in a particular department within the school, college, or university. It may be a need-based award, but it does not have to be.

Dependents Generally, spouse, children, and/or other household members for whom the parent (or aid applicant) provides more than one-half of the financial support.

Dependent Student For the purposes of federal Title IV financial aid, a student who does not meet any of the criteria for an independent student must be classified as a dependent student. Compare *Independent Student*.

Direct Loan Origination Center ED's agent responsible for functions associated with processing applications for and disbursing Direct Loan Program funds. See also *Direct Loan Servicing Center*.

Direct Loan Program A federal program where the U.S. government provides four types of education loans to student and parent borrowers directly through schools:

- the Federal Direct Stafford Loan (subsidized),
- the Federal Direct Unsubsidized Stafford Loan,
- the Federal Direct PLUS Loan (for parents), *and*
- the Federal Direct Consolidation Loan.

These loans are referred to collectively as "Direct Loans." See individual loan names.

Direct Loan Servicing Center ED's agents responsible for functions associated with repaying Direct Loans. See also *Direct Loan Origination Center*.

Disbursement Paying financial aid funds. See also *Delivery*.

Discharge See *Cancellation (of a loan.)*

366

Discharge Due To Bankruptcy Release from a student-loan obligation by action of a bankruptcy court.

Disclosure Statement A statement sent to the borrower by the lender before or at the time it disburses a loan, as well as at, or prior to, the beginning of the repayment period, containing information about the terms of their loans and the consequences of default.

Discretionary Items Applicant data items (such as untaxed income benefits, total income, or assets) used to determine a student's eligibility for federal financial aid that regulations do not require be verified. See also *Verification.*

Distribution Formula A formula that federal regulations specify be used to calculate the amounts of refunds or overpayments (repayments) that must be returned to individual federal student financial aid programs. See also *Refund Policy* and *Repayment Allocation Policy.*

Documentation Documents or signed statements presented as evidence in support of an action affecting a student's eligibility for financial aid. See also *Acceptable Documentation.*

Drop-Out Date A student's last recorded class-attendance date that can be documented by the school; this is not necessarily the same as the withdrawal date. If a student unofficially withdraws, the drop-out date determined by class attendance must be used in calculating refund and repayment amounts. Compare *Withdrawal Date.*

Due Diligence Full and timely disclosure to student borrowers of their rights and obligations, explained during entrance and exit interviews. Also the use of extensive, persistent, and forceful procedures for servicing and collecting student loans.

Duplicate (Pell Payment Data) A category of processed payment data that represents duplicates of "accepted without changes or assumptions" data that an institution has already sent to the Central Processing System (CPS). The data should not be resubmitted unless the award-year data changes. See also *Processed Payment Data.*

-E-

ED Central Automated Processing System (EDCAPS) An upgraded financial management system under development to replace ED's current system. See also *GAPS*

EDExpress EDExpress is an ED-provided software package that schools use to administer the Title IV financial aid programs.

Edit Checks A series of data tests on financial aid applications run by the Central Processing System (CPS) to report incomplete or inconsistent data on applications. Edit checks are also part of processing an institution's Electronic FISAP (Fiscal Operations Report and Application to Participate) and are part of the William D. Ford Federal Direct Loan Program. See also *Federal Central Processing System (CPS)* and *Verification.*

Education Benefits Funds, primarily federal, awarded to certain students—veterans, children of deceased veterans or other deceased wage earners, and students with physical handicaps—to help finance their postsecondary education. The benefits are awarded without regard to financial need.

Education Savings and Asset Protection Allowance An allowance to protect a portion of family assets when considering assets as part of the Expected Family Contribution (EFC).

Educational Program A postsecondary course of study that generally leads to an academic or professional degree, vocational certificate, or other recognized education credential.

Electronic Access Code (EAC) In order to use Renewal FAFSA on the Web, students must order an EAC. They will be mailed the EAC after ordering it at the web site. The EAC replaces the signature of an independent student.

Electronic Data Exchange (EDE) An ED system that enables institutions to transmit, receive, and correct application data, package student awards, and transmit Federal Pell Grant and William D. Ford Direct Loan payment information via a telecommunications network.

Electronic FISAP (Fiscal Operations Report and Application to Participate) The computer application to continue participating in campus-based programs. See also *FISAP (Fiscal Operations Report and Application to Participate).*

Electronic Funds Transfer (EFT) See *Automated Clearinghouse (ACH).*

Electronic Pell Payment Data (EPPD) The record schools send to PGRFMS containing Pell Grant payment information. *See PGRFMS*

Electronic Processed Pell Payment Data (EPPD): PGRFMS returns this record to schools after processing the EPPD.

Eligible Institution A public or private nonprofit institution of higher education, a postsecondary vocational school, or a proprietary institution of higher education that meets all the criteria to continue participating in Title IV student financial aid programs and has been approved by the U.S. Secretary of Education to do so.

Eligible Noncitizen A student aid applicant who is not a U.S. citizen, but is eligible to receive Title IV assistance. Conditions that allow noncitizens to be considered for Title IV funds are listed in *The Federal Student Financial Aid Handbook,* Chapter 2.

Eligible Program An educational program that meets the regulatory requirements for participating in Title IV programs and has been approved by the U.S. Secretary of Education to do so.

Eligible Student The definition of a student eligible to receive federal financial aid from ED is discussed in detail in *The Federal Student Financial Aid Handbook,* Chapter 2, and in Subpart C of Section 668 of the Student Assistance General Provisions regulations.

Emergency Action Action taken by ED against an eligible postsecondary institution. This action includes withholding funds from the institution or its students and withdrawing the authority of the institution to obligate federal funds under any or all of the Title IV student aid programs.

Emergency action is taken when ED:

- receives information that the institution is violating applicable laws, regulations, special arrangements, agreements, or limitations;
- determines that the likelihood of loss to the federal government outweighs putting in place limitation, suspension, or termination procedures; and
- determines that immediate action is necessary to prevent misuse of federal funds.

See also *Limitation, Suspension, or Termination (LS&T)* and *Program Participation Agreement (PPA).*

Employment Expense An allowance in determining the Expected Family Contribution (EFC) for additional expenses relating to employment when both parents are employed or when one parent who qualifies as a surviving spouse or as head of a household under Section 2 of the Internal Revenue Code is employed. See also *Expected Family Contribution (EFC).*

Endorser An individual who signs a promissory note agreeing to repay a loan if the borrower does not repay it. Compare *Co-Maker.*

Enrolled Completing registration requirements (except payment) at the institution the student is attending and beginning the attendance period *or* submitting one lesson in a correspondence course.

Enrollment Period For the William D. Ford Federal Direct Loan and Federal Family Education Loan (FFEL) Programs, the period of time for which a borrower's loan is intended and during which a student is enrolled.

For a school that uses academic terms (semester, trimester, or quarter) an enrollment period must coincide with one or more terms or with an academic year. For a school that does not use academic terms, an enrollment period must coincide with the length of a student's program of study or an academic year. Compare *Payment Period*.

Enrollment Status At institutions using semesters, trimesters, quarters, or other academic terms and measuring progress in credit hours, enrollment status equals a student's credit-hour course load. At these schools, a full-time undergraduate student enrolls in at least 12 semester hours or 12 quarter hours each term.

At institutions measuring progress in clock hours, enrollment status equals a student's clock-hour course load. At these schools, a full-time student receives at least 24 hours of instruction in one week.

At either type of school, student enrollment may be categorized as full-time, three-quarter-time, half-time, or less-than-half-time.

At institutions using a combination of both credit and clock hours, enrollment status for a full-time student is any combination of credit and clock hours where the sum of the following fractions is equal to or greater than one.

- For a program using a semester, trimester, or quarter system:

$$\frac{\textit{Number of credit hours per term}}{12}$$

plus

$$\frac{\textit{Number of clock hours per week}}{24}$$

- For a program not using a semester, trimester, or quarter system:

$$\frac{\textit{Number of semester or trimester hours per academic year}}{24}$$

plus

$$\frac{\textit{Number of quarter hours per academic year}}{36}$$

plus

$$\frac{\textit{Number of clock hours per week}}{24}$$

At nonterm institutions, enrollment status for a full-time student is 24 semester hours or 36 quarter hours per academic year or the prorated equivalent for a program of less than one academic year.

Entrance Counseling (for student borrowers) Required counseling prior to the first disbursement of SFA program funds that covers the borrower's rights and responsibilities, the terms and conditions of the loan, the average indebtedness of the school's borrowers, and the consequences of default. Compare *Exit Counseling (for student borrowers)*.

Entrance Interview (for an audit) A meeting, prior to the beginning of a financial aid audit, between an auditor and school administrative officials concerning operating rules, an agenda, and a schedule for the on-site work. See also *Audit*. Compare *Exit Interview (for an audit)*.

Estimated Financial Assistance (EFA) The estimated amount of assistance that an institution is aware a student will be awarded or has been awarded in federal, state, or privately supported scholarship, grant, work, or loan programs, including veterans' education benefits and Social Security benefits.

Exit Counseling (for student borrowers) An interview that must take place before the borrower leaves school (Perkins) or ceases at least half-time enrollment (FFEL and Direct Loan) covering the borrower's rights and responsibilities, details about handling loan repayment, and the average indebtedness of the school's borrowers. Borrowers are also required to provide updated personal information, such as address, telephone number, expected employer, and driver's license number (and state where it was issued). See Chapters 6 and 10 in *The Federal Student Financial Aid Handbook* for complete information on exit interview requirements. Compare *Entrance Counseling (for student borrowers)*.

Exit Interview (for an audit) A closing meeting, following completion of a financial aid audit, between an auditor and administrative officials during which general audit findings and conclusions are discussed. See also *Audit*. Compare *Entrance Interview (for an audit)*.

Expected Disbursement The sum of all expected Federal Pell Grant payments to a student during an award year.

Expected Family Contribution (EFC) The figure that indicates how much of a family's financial resources should be available to help pay a student's postsecondary education expenses. This figure, determined according to a statutorily defined method known as the Federal Need Analysis Methodology, is used for all students in determining eligibility for federal Title IV student financial aid. Some students will have both primary and secondary EFCs, with the financial aid administrator choosing between the two. See also *Automatic Zero EFC (Expected Family Contribution)* and *Simplified Needs Test Formula*.

-F-

FAFSA (Free Application for Federal Student Aid) See *Free Application for Federal Student Aid (FAFSA)*.

FAFSA Express ED software that permits a student using a computer with a modem to enter FAFSA data and transmit it directly to the CPS.

FAFSA on the Web An on-line version of the FAFSA students can access and complete. It is located at www.fafsa.ed.gov. Now available is Renewal FAFSA on the Web as well. See also *FAFSA*.

FAFSA Processor An organization contracted by ED to process the Free Application for Federal Student Aid (FAFSA).

Federal Audit A financial audit conducted by an office or officer of a federal agency, such as a representative from ED's Office of Inspector General.

Federal Capital Contribution (FCC) The portion of a Federal Perkins Loan fund allocated to an institution by the federal government for a specific award year. Compare *Institutional Capital Contribution (ICC)*.

Federal Central Processing System (CPS) ED's Central Processing System (CPS) analyzes information from Free Applications for Federal Student Aid (FAFSAs) and calculates the Expected Family Contributions (EFCs). See also *Edit Checks, Federal Output Document*, and *National Student Loan Data System (NSLDS)*.

Federal Direct Consolidation Loan A loan arranged through ED's Direct Loan Servicing Center that combines several federal education loans (including non-Direct loans) into a single loan with one monthly repayment. Compare *Consolidation Loan.*

Federal Direct Loan Program See *Direct Loan Program.*

Federal Direct PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Compare *Federal PLUS Loan.*

Federal Direct Stafford Loan (subsidized) On the basis of student financial need, this loan program provides federally financed loans to students who are in undergraduate, graduate, or professional programs. See also *Federal Direct Unsubsidized Stafford Loan.* Compare *Federal Stafford Loan (subsidized).*

Federal Direct Unsubsidized Stafford Loan This loan program provides federally financed, low-interest loans to students who are in undergraduate, graduate, or professional programs. These loans are not based on financial need and are not government subsidized. The borrower pays the interest charges on the loan on a monthly basis or may allow the interest to accumulate and be capitalized by the lender (no more frequently than quarterly) and added to the loan principal when repayment begins. See also *Capitalizing Interest* and *Federal Direct Stafford Loan (subsidized).* Compare *Federal Stafford Unsubsidized Loan.*

Federal Family Education Loan (FFEL) Program The FFEL Program is made up of Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS (parent) Loans, and Federal Consolidation Loans. All of these are long-term loans insured by state or private nonprofit guaranty agencies that are reimbursed by the federal government for all or part of the insurance claims paid to lenders. This government guarantee replaces the collateral or security usually required with long-term consumer loans.

Federal Need Analysis Methodology The statutory formula used to determine the Expected Family Contributions (EFCs) for all students applying for federal Title IV student financial aid. Information on it is found in HEA, Part F. See also *Full Data Element Formula* and *Simplified Needs Test Formula.*

Federal Output Document The Student Aid Report (SAR), SAR Information Acknowledgement, and Institutional Student Information Record (ISIR) generated by the Central Processing System (CPS) as a result of processing applicant data on the Free Application for Federal Financial Aid (FAFSA) or Renewal FAFSA.

Federal Pell Grant Payment and Disbursement Schedules Charts published annually by the U.S. Secretary of Education that determine the dollar value of student Federal Pell Grant awards on the basis of students' Expected Family Contributions (EFCs) and schools' costs of attendance (COAs).

Federal Pell Grant Program A grant program for undergraduate students who have not completed a first baccalaureate degree. It is designed to assist students with financial need who are the least able to contribute toward their education expenses. If students apply, meet all the eligibility criteria, and are enrolled in an eligible program at an eligible institution, they will receive Federal Pell Grants.

Federal Perkins Loan Program This campus-based loan program provides low-interest student loans to undergraduate and graduate students with financial need. See also *Campus-Based Programs.*

Federal PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Loans are made by lenders such as banks, credit unions, or savings and loan associations. Compare *Federal Direct PLUS Loan.*

Federal Register The government publication, published each weekday (except federal holidays), that prints regulations, regulatory amendments, notices, and proposed regulatory changes for all federal executive agencies. ED sends reprints of excerpts from the *Federal Register* that pertain to federal student financial aid to all institutions participating in federal student financial aid programs.

Federal Stafford Loan (subsidized) A loan program providing federally subsidized, low-interest loans to students in undergraduate, graduate, or professional programs. Subsidized loans are awarded on the basis of student financial need. See also *Federal Stafford Unsubsidized Loan*. Compare *Federal Direct Stafford Loan (subsidized)*.

Federal Stafford Unsubsidized Loan The unsubsidized Federal Stafford Loan Program provides loans to students who do not meet the financial-need criteria for a subsidized Federal Stafford Loan. An unsubsidized Federal Stafford Loan may be substituted for all or part of the Expected Family Contribution (EFC) and is referred to as a "non-need-based" loan. These loans may be borrowed by undergraduate, graduate, and professional students. See also *Federal Stafford Loan (subsidized)*. Compare *Federal Direct Unsubsidized Stafford Loan*.

The Federal Student Financial Aid Handbook An ED publication that explains procedures schools should follow in administering federal student financial aid (SFA) programs. Some of these procedures are required by laws and regulations, while other procedures are required by the various reporting systems of each Title IV program. The most current edition is *The 1997-98 Federal Student Financial Aid Handbook*.

Federal Student Financial Aid Programs See *Title IV Student Financial Aid*.

Federal Supplemental Educational Opportunity Grant (FSEOG) A campus-based aid program that provides grant assistance to students with financial need who are in undergraduate programs and have not earned a bachelor degree or first professional degree. Priority in awarding Federal Supplemental Educational Opportunity Grant (FSEOG) funds is given to students who have exceptional financial need and are Federal Pell Grant recipients. See also *Campus-Based Programs*.

Federal Supplemental Loans for Students Δ An unsubsidized loan program that has been replaced by the Federal Direct Unsubsidized Loan and the Federal Stafford Unsubsidized Loan.

Federal Work-Study (FWS) Program A campus-based federally funded employment program that provides paid jobs for undergraduate or graduate students who need such earnings to meet a portion of their education expenses. See also *Campus-Based Programs* and *Carry Back/Carry Forward*.

FEDWIRE The U.S. Treasury Department's Financial Communications System (TFCS) Deposit Message Retrieval System (DMRS) uses FEDWIRE for returning funds to ED, including:

- a liability or combination of liabilities totaling $100,000 or more for a prior award year (except for some Federal Perkins Loan liabilities);
- excess cash in, or liquidation of, the Federal Perkins Loan Fund; *and*
- ED-proposed or assessed fines of $100,000 or more.

Fees (institutional) To be an element of a school's cost of attendance (COA), fees must be mandatory, institution-based charges required as part of a student's program of study and charged to all students in that educational program. See also *Cost of Attendance (COA)*.

Final Regulations Federal government operating rules published in the *Federal Register*. Final regulations, which have the force of law, usually take effect 45 days after the date they are published. (However, there are exceptions to the 45-day period because of the master calendar of the Higher Education Act [HEA]). See also *Comment Period, Interim Final Regulations, Notice of Proposed Rulemaking (NPRM)*, and *Master Calendar*.

Financial Aid Award An offer of financial aid or in-kind assistance to a student attending a postsecondary educational institution. This award may be in the form of one or more of the following types of financial aid: a repayable loan, a grant and/or scholarship, or student employment. Examples of in-kind assistance are tuition waivers or fee waivers.

Financial Aid History Data on the Student Aid Report (SAR) or Institutional Student Information Record (ISIR) generated by the National Student Loan Data System (NSLDS) that shows a student's previous financial aid, defaults, and overpayments. Compare *Financial Aid Transcript (FAT).*

Financial Aid Package An assistance offer by an educational institution to a student aid applicant that consists of one or more forms of financial aid, such as loans, grants, scholarships and/or employment.

Financial Aid Transcript (FAT) A document used by educational institutions to collect data about Title IV aid and other financial aid received by a student at other educational institutions. Institutions must provide financial aid transcripts (FATs) at no charge to students and former students. Compare *Financial Aid History.* See *National Student Loan Data System (NSLDS).*

Financial Audit See *Audit* and *Independent Audit.*

Financial Need The difference between the institution's cost of attendance (COA) and what the student's family is able to pay—the Expected Family Contribution (EFC). (COA - EFC = Need) See also *Cost of Attendance (COA)* and *Expected Family Contribution (EFC).*

Financial Responsibility An institution must show that it has the financial responsibility to participate in federal Title IV student aid programs. Financial responsibility covers general standards (as well as exceptions institutions can meet as alternatives). These standards cover ones for for-profit, nonprofit, and public institutions and cover the past performance of an institution or persons affiliated with an institution. For further information, refer to 34 CFR, Section 668.15, of the Student Assistance General Provisions and Chapter Two of *The Blue Book.*

Financial Statement A report prepared at the end of a school's fiscal year that provides an overview of the institution's financial activities for that fiscal year. Financial statements are audited by a Certified Public Accountant (CPA) and submitted to the U.S. Department of Education in accordance with applicable regulations. See also *Audit* and *Independent Audit.*

First-Time Student A student who has not previously attended at least one class at the institution or who received a 100 percent refund of his or her tuition and fees (less any permitted administrative fee) under the institution's refund policy for previous attendance at the institution. A student remains a first-time student until the student either withdraws, drops out, or is expelled from the institution after attending at least one class *or* completes the period of enrollment for which he or she has been charged.

FISAP (Fiscal Operations Report and Application to Participate) See *Electronic FISAP (Fiscal Operations Report and Application to Participate).*

Floppy Disk Data Exchange An automated system by which institutions can submit Federal Pell Grant payment data on IBM-compatible computer diskettes to ED. ED provides a database management system to each participant. ED returns payment data on diskette. This method of reporting will be eliminated 7/1/99.

Forbearance (on a loan) A lender's option of allowing a *temporary* cessation of payments of subsidized or unsubsidized Federal Stafford, Federal PLUS, or Federal Direct Loans *or* allowing an extended period for making payments *or* accepting smaller payments than were previously scheduled. Forbearance may be given for circumstances that are not covered by deferment. Interest continues to accumulate during forbearance. Compare *Deferment (of a* *loan).*

William D. Ford Federal Direct Loan Program See *Direct Loan Program.*

Form G-8455 A form a school submits to the U.S. Immigration and Naturalization Service (INS) for "Secondary Confirmation" to confirm that an alien noncitizen's documentation is valid for Title IV eligibility purposes. See *Eligible Noncitizen.*

Forward Funding At the federal level, the congressional funds appropriation in the fiscal year prior to the award year in which they will be disbursed. For example: the amount of public funds Congress allocates to Federal Pell Grant and campus-based funds in 1998 to be used in the 1999-2000 award year.

Free Application for Federal Student Aid (FAFSA) This ED input document is the foundation for all Title IV need analysis computations. The application form is completed by the student and his or her family. It gathers data to calculate the Expected Family Contribution (EFC), which is used to determine eligibility for Federal Pell Grant, campus-based, Federal Stafford Loan, and Federal Direct Loan awards. See also *Renewal FAFSA, Expected Family Contribution (EFC),* and *Need Analysis.*

Full Data Element Formula A formula that uses the full range of data elements in calculating a student's Expected Family Contribution (EFC) under the Federal Need Analysis Methodology. Also called the "regular formula." See also *Expected Family Contribution (EFC).*

Full-Time Student A term defined by each institution of higher education. For Title IV student aid eligibility, however, a full-time undergraduate student cannot be taking fewer than 12 semester, trimester, or quarter hours per academic term in institutions with standard academic terms or fewer than 24 clock hours per week in institutions that measure progress in clock hours.

-G-

General Education Development (GED) Certificate A nationally recognized equivalent of a high school diploma granted after a student has passed a standardized examination.

General Institutional Eligibility Requirements Federal regulations governing institutional eligibility to apply to participate in Title IV programs.

General eligibility requirements are established by statutory definition and refer to:

- location,
- student admissions policy,
- authorization to provide a postsecondary educational program,
- accreditation,
- types, lengths, and levels of educational programs within the institution,
- the institution's type,
- the institution's control, and
- how long the institution has existed.

Gift Aid Financial aid that a student is not required to repay or earn through employment. Generally, gift aid is in the form of a grant or scholarship. Compare *Self-Help Aid.*

Grace Period The time period that begins the day after a loan recipient ceases to be enrolled at least half time and ends the day before the repayment period starts.

Graduate or Professional Student Student enrolled in a program that leads to a degree higher than a baccalaureate or to a first professional degree. A graduate or professional student must have completed at least three years of full-time study at an institution of higher education and may not be concurrently receiving Title IV aid as an undergraduate student.

Grant (programs) Gift-aid programs that require neither repayment nor work from students. Federal Title IV grant programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and State Student Incentive Grant (SSIG) Programs. See also *Gift Aid.*

Guaranty Agency A state agency, *or* a private, nonprofit institution, *or* an organization that administers federal student financial aid programs under the Federal Family Education Loan (FFEL) Program. One major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders on distributed loans.

Guaranty Fee See *Insurance Premium.*

-H-

Half-Time Student For the Federal Family Education Loan (FFEL) Program, a half-time student is one who is carrying a half-time academic workload (as determined by the school) that equals at least one-half the workload of a full-time student. For the remaining Title IV programs, a student is considered half time by carrying a half-time academic workload (as determined by the school), generally equaling or exceeding the following minimum requirements:

(a) 6 semester, trimester, or quarter hours per academic term for an institution using standard terms;

(b) 12 clock hours per week for schools using clock-hour measurement;

(c) 12 semester hours or 18 quarter hours per academic year for an institution using credit hours to measure progress but not using standard academic terms; *or*

(d) enrollment in an eligible correspondence program requiring at least 12 hours of preparation per week.

Hand Calculation On-campus calculation (manual or by computer program) of the Expected Family Contribution (EFC), in contrast to the official EFC calculation provided by the Central Processing System (CPS).

Higher Education Act of 1965, as amended (HEA) Legislation passed in 1965, as well as all subsequent amendments and reauthorizing (extending) legislation of the statute. Title IV of the HEA authorizes the majority of the nation's federal postsecondary student financial aid programs and mandates that they be regulated and administered by the U.S. Secretary of Education. The HEA is effective for approximately five years, requiring Congress to reauthorize it about every five years or to extend the legislation for up to one additional year. The statute's most current version, as amended, always stands as the official version of the law. See also *Reauthorization* and *Title IV Student Financial Aid.*

Higher Education Amendments of 1992 Changes to the Higher Education Act of 1965, as amended (HEA), made by Congress during the 1992 reauthorization of the HEA. They became federal law on July 23, 1992. Sometimes referred to as "the 1992 Amendments" or "the Amendments."

Higher Education Technical Amendments of 1993 Corrections to the 1992 reauthorization of the Higher Education Act (HEA).

-I-

Immediate Need A school requests funds to meet its "immediate need" for disbursing Federal Pell Grant and campus-based program awards. For schools under Automatic Clearinghouse/Electronic Funds Transfer (ACH/EFT), "immediate need" is three business days. Under ACH/EFT, recipients request funds as needed, for example, every three days, once a week, or whatever is appropriate. See also *Automated Clearinghouse (ACH).*

Incarcerated Student For purposes of institutional eligibility, a student serving a criminal sentence in a federal, state, or local correctional facility. For purposes of Pell Grant eligibility, a student serving a criminal sentence in a federal or state facility only. A student in a less formal arrangement, such as a halfway house, home detention, or sentenced to serve weekends only, is not considered to be incarcerated.

Income Protection Allowance An allowance for the basic costs of maintaining family members at home and in college that is taken into account when considering family income as part of the Expected Family Contribution (EFC).

Independent Audit An audit conducted by an independent public accountant (IPA), as defined by the audit standards of the U.S. General Accounting Office, who has been hired by the institution. Also called a "nonfederal audit." See also *Audit* and *Independent Public Accountant (IPA).*

Independent Public Accountant (IPA) An accountant who is a Certified Public Accountant (CPA) or state auditor, *or* an accountant who was licensed before December 31, 1970 who meets the audit independence standards of the U.S. General Accounting Office. See also *Independent Audit.*

Independent Student To be classified as an independent student for federal Title IV financial aid, a student must meet one or more of the following criteria:

(a) be at least 24 years old by December 31 of the award year for which aid is sought;

(b) be an orphan or ward of the court until the age of 18;

(c) be a veteran of the Armed Forces of the United States;

(d) have legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);

(e) be a graduate or professional student;

(f) be married; or

(g) be deemed independent by the school's financial aid administrator.

Compare *Dependent Student.*

Information for Financial Aid Professionals (IFAP) ED's new web site containing publications, Dear Colleague letters, new information, and other features. This web page replaces the SFA BBS in the summer of 1998.

Information Summary Part 1 of the Student Aid Report (SAR). This section informs students of their eligibility for a Federal Pell Grant and shows the student's Expected Family Contribution (EFC). The Information Summary can become a part of the student's financial aid file. See also *Student Aid Report (SAR).*

In-House Control Documents Documents a school uses to meet recordkeeping requirements for federal financial aid programs, provide data needed for aid-related reports, and maintain a clear audit trail.

Institution of Higher Education A public or private nonprofit educational institution located in a state, that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory elementary/secondary school attendance in the state where the institution is located;

(b) is legally authorized, in the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides a program leading to an associate, baccalaureate, graduate, or professional degree, or at least a two-year program that is acceptable for full credit toward a bachelor's degree or at least a one-year training program that leads to a degree or certificate and prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; and

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public "postsecondary vocational school" approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state.

See also *Postsecondary Vocational Institution* and *Proprietary Institution of Higher Education.*

Institutional Capital Contribution (ICC) The portion of a school's Federal Perkins Loan fund contributed by the institution. Loans made with the Federal Capital Contribution (FCC) must consist of Institutional Capital Contribution (ICC) equal to at least one-third (33 1/3 percent) of the new Federal Capital Contribution amount *or* one quarter (25 percent) of the combined FCC *plus* ICC. Compare *Federal Capital Contribution (FCC).*

Institutional Eligibility Notice A letter sent to an institution by ED's Institutional Participation and Oversight Service (IPOS) designating the institution as eligible to apply to participate in federal student financial aid programs. See also *Institutional Participation and Oversight Service (IPOS)* and *Program Participation Agreement (PPA).*

Institutional Liability Financial penalties or repayments that an institution must pay to ED as a result of incorrect institutional action or actions. A liability is the difference between the actual expenditures reported by the institution on its quarterly report (ED/PMS 272) or MEERS report for an Obligation Document Number for the award year and the final allowable expenditures as determined by the auditor, program reviewer, or hearing official. See also *Quarterly Report.*

Institutional Participation and Oversight Service (IPOS) The division in ED responsible for determining the eligibility of postsecondary institutions to participate in federal student financial aid programs and maintaining oversight of institutions participating in federal student financial aid programs. See also *Institutional Eligibility Notice.*

Institutional Payment Summary (IPS) An electronic transmission that summarizes and accompanies each individual batch of institutionally completed Federal Pell Grant Payment Data. See also *IPS Batch Report* and *Payment Data.*

Institutional Quality Assurance Program (IQAP) Δ Now called *Quality Assurance Program.*

Institutional Student Information Record (ISIR) The Institutional Student Information Record (ISIR) is generated by ED's Central Processing System (CPS) and is available to schools through the Electronic Data Exchange (EDE) in the form of Full Data Tapes or Full Data Magnetic Disks. The ISIR includes full applicant data, information on reject reasons, comments, and assumptions. See *Student Aid Report (SAR).*

Institution's Aid Disbursement/ Delivery Policy A policy specifying the earliest dates in each payment period that a school will credit aid to accounts and/or deliver aid as direct payments to students.

Institution's Aid Priority Policy A recommended written school policy clearly specifying the order in which financial aid awards will be applied to cover students' institutional charges.

Institution's Refund Policy Each school must have a refund policy that states the amount or percentage of charges to be cancelled for students who terminate their enrollment prior to the end of a payment period. Under the law, a school's policy must provide a refund of the [school's] unearned tuition, fees, room and board, and other charges assessed a student who received Title IV assistance (including

377

Federal PLUS and Federal Direct PLUS Loans received by parents on a student's behalf and excluding Federal Work-Study funds). Such refunds must be provided for students who do not complete the attendance period for which the Title IV aid was intended.

Institution's Repayment Policy A school's consistently applied policy on the amount of non-institutional, education-related expenses incurred by students for a payment period.

Insurance Premium An insurance fee charged a lender by a guaranty agency. The fee is usually passed along to the borrower. In most cases, a lender reduces the amount of the loan disbursement by the fee amount; however, a student is still responsible for repaying the entire amount of the loan. Also known as a guaranty fee. See also *Loan Fee* and *Origination Fee.*

Interest (subsidized) The interest (subsidy) payment covered by ED on a subsidized student loan on a borrower's behalf. ED covers the payments for certain specific periods, such as during the borrower's enrollment (at least half time), the grace period, or any deferment period. An interest subsidy *is paid* to lenders of subsidized Stafford Loans during qualifying periods; the borrower *is not charged* interest on subsidized Direct Loans during qualifying periods.

Interest Benefits The interest (benefit) payments made by ED to a Federal Stafford Loan lender on behalf of a student. These payments are made by ED at the student's Federal Stafford Loan interest rate, but only during certain periods: the student's enrollment (at least half time), the grace period, or any authorized deferment.

Interim Disbursement A single first disbursement of Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and/or Federal Perkins Loan funds to a student who has not completed application verification. The institution is responsible for recovering payment if the student never completes verification or if the amount for which the student is deemed eligible lessens as a result of verification. Interim disbursements are made at the discretion of the institution; they are optional.

Interim Final Regulations Regulations, published in the *Federal Register*, that have the effect of law when published. Interim final regulations often are created when there is need for quick action responding to newly passed legislation. They may also be issued, pending further policy review, after a Notice of Proposed Rulemaking (NPRM) elicits comments that raise new policy questions. Compare *Final Regulations* and *Notice of Proposed Rulemaking (NPRM).*

IPS Batch Report (Institutional Payment Summary Batch Report) A report notifying an institution that ED has completed processing its Institutional Payment Summary (IPS) submission and providing a summary report on the batch processing. It also gives the net adjustment ED made to the payment data and alerts the institution to differences between its records and the data accepted by ED. Any differences must be reconciled by the institution. See also *Institutional Payment Summary.*

-J-

Job Location and Development (JLD) Program Under the Job Location and Development (JLD) Program, an institution can use up to 10 percent or $50,000 (whichever is less) of its annual Federal Work-Study (FWS) Program allocation to expand off-campus job opportunities, including community-service jobs (CS/JLD), for its currently enrolled students. Jobs may be in either profit or nonprofit settings. Students in this program do not have to meet FWS criteria, show financial need, or meet other Title IV student eligibility criteria. See also *Federal Work-Study (FWS) Program.*

-K-

No entries

578

-L-

Legislative Amendment A revision or change in a legislative measure that adds, deletes, or modifies a law's text.

Limitation, Suspension, or Termination (LS&T) Actions undertaken by ED against a postsecondary institution that has either:

- violated the laws or regulations of Title IV student financial aid programs, its Program Participation Agreement, or any other agreement made under law or regulations; or
- substantially misrepresented the nature of its educational program, its financial charges, or the employability of its graduates.

These ED actions against the institution may include proceedings on limitation, suspension, or termination (LS&T) of the school's participation in federal student financial aid programs; the assessment of fines of up to $25,000 for each statutory or regulatory violation; and/or implementing emergency action.

- A limitation means the postsecondary institution agrees to abide by certain specific restrictions or conditions in its administration of student financial aid programs so that it can continue to participate in any of those programs. A limitation lasts for at least 12 months and, if a postsecondary institution fails to abide by the conditions of the limitation, termination proceedings may be initiated.
- A suspension removes an institution from participating in Title IV programs for a period not to exceed 60 days, unless a limitation proceeding has begun. Suspension actions are used when a postsecondary institution can be expected to correct a program violation in a short time.
- A termination ends a postsecondary institution's participation in Title IV programs.

A terminated institution can be reinstated at a later date by ED to participate in Title IV programs. In general, however at least two years (24 months) must elapse from the school's termination before an institution can request reinstatement. See also *Emergency Action* and *Program Participation Agreement (PPA)*.

Loan An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount under prescribed conditions.

Loan Disclosure Statement A statement sent to a borrower by the lender before or at the time it disburses a loan, and again before the start of the repayment period. The purpose of the disclosure is to provide the borrower with thorough and accurate information about the loan terms and the consequences of default. The statement includes information such as:

- amount of the loan,
- interest rate,
- fee charges,
- length of the grace period (if any),
- the maximum length of the repayment period,
- the minimum annual repayment amount,
- deferment conditions, and
- the definition of default.

Loan Fee A loan expense charged the borrower by the lender; it is deducted proportionately from each loan payment paid to the borrower. See also *Insurance Premium* and *Origination Fee*.

-M-

Master Calendar To assure adequate notification about and timely delivery of federal student financial aid, ED operates using a master calendar defined in the Higher Education Act (HEA). This calendar gives specific dates by which federal forms will be developed and distributed, as well as dates campus-based funds will be allocated and Federal Pell Grant funds will be authorized for an award year. The master calendar determines the dates that federal financial aid regulations must be published.

Matching (Fund) Requirement See *Nonfederal Share.*

Multiple Data Entry (MDE) Processor Δ See *FAFSA Processor.*

-N-

Nationally Recognized Accrediting Agency or Association An independent organization that monitors school practices and that certifies or approves schools to operate and offer certain programs of study. These organizations must be approved by the U.S. Secretary of Education for schools participating in federal student financial aid programs. See also *Accredited Institution, Accrediting Agency,* and *Preaccredited Institution.*

National Student Loan Data System (NSLDS) An ED database established to collect and maintain student loan information from guaranty agencies, lenders, institutions, and ED's program and Title IV default file. Information on all students who previously borrowed under Title IV programs is also maintained in the database. See also *Student Status Confirmation Report (SSCR).*

Need The difference between a school's cost of attendance (COA, also called a student budget) and a student's Expected Family Contribution (EFC). (COA-EFC = student financial need.)

Need Analysis The statutorily defined method for determining Expected Family Contributions (EFCs) for all students applying for federal student financial aid. See also *Cost of Attendance (COA), Expected Family Contribution (EFC),* and *Federal Need Analysis Methodology.*

Need-Based Assistance Any form of financial aid awarded on the basis of demonstrated financial need. Need is established by subtracting a student's Expected Family Contribution (EFC) from the school's cost of attendance (COA). (COA - EFC = student financial need.)

Negotiated Rulemaking A process by which a government agency convenes meetings to discuss proposed regulatory matters with appropriate constituent groups. ED's Office of Postsecondary Education (OPE) convenes representatives of various groups involved in delivering and administering federal student financial aid programs. During the public meetings, held in various regions of the country, the contents of proposed regulations are discussed/negotiated prior to the U.S. Secretary of Education publishing notices of proposed rulemaking (NPRMs) and/or final regulations.

Nonfederal Audit See *Audit* and *Independent Audit.*

Nonfederal Share The portion of Title IV campus-based program funds that a school must contribute from a nonfederal source (usually the portion comes from the school itself). For 1997-98, a nonfederal source must contribute at least one-third (33 1/3 percent) of the federal contribution to the school's Federal Perkins Loan fund; one quarter (25 percent) of Federal Work-Study (FWS) awards; and one quarter (25 percent) of the Supplemental Educational Opportunity Grant (FSEOG) awards.

Notice of Proposed Rulemaking (NPRM) Notice printed in the *Federal Register* of proposed regulations from a government agency, such as ED. Publishing a notice of proposed rulemaking (NPRM) begins an official comment period (which is usually 45 days or 60 days long, but may range from 30 days to 120 days in length) during which interested parties are invited to submit comments about the proposed regulations. Compare *Final Regulations* and *Interim Regulations.*

-O-

Off-Campus Agency An external agency that employs a school's Federal Work-Study (FWS) student(s) and pays the nonfederal share of the wages. See also *Federal Work-Study (FWS).*

Official Notice of Funding A computer-generated letter a school receives from ED that lists the final allocation amounts for each federal campus-based student financial aid program the school administers. The notice, which ED must send by April, notifies the school of the allocation amounts it will receive for the upcoming award year, which begins the following July 1.

One-Academic-Year Training Program A program consisting of at least 24 semester/trimester hours or 36 quarter hours at institutions using credit hours to measure progress; 900 clock hours of supervised training at an institution using clock hours to measure academic progress; or 900 clock hours in a program of study by correspondence. The program must include at least 30 weeks of instructional time.

Origination Fee A cost of borrowing a loan calculated as 3 percent of the loan principal borrowed under any Federal Family Education Loan (FFEL) Program loan and charged to the student by the lender. This fee is usually subtracted from the student loan amount before the student receives the loan money. See also *Insurance Premium* and *Loan Fee.*

Overaward The condition that exists when an institution awards financial assistance to a student that, in combination with all of the resources made available to that student from federal and nonfederal sources, exceeds the difference between the student's cost of attendance (COA) and the Expected Family Contribution (EFC).

Overpayment Any financial aid amount paid to a student in excess of the amount the student is entitled to receive. This situation may arise due to a student's change in enrollment status, withdrawal, or change in financial situation. In any of these instances, the student would be required to repay excess funds received unless adjustments could be made to the student's aid during subsequent payment periods within the same award year. See also *Repayment* and *Repayment Allocation Policy.*

-P-

Packaging The process of assembling one or more financial aid awards of loans, grants and/or scholarships, and employment for a student; also referred to as award packaging.

Parents' Contribution A quantitative estimate, according to the Federal Need Analysis Methodology, of parents' ability to contribute to postsecondary education expenses of their dependent child. See also *Expected Family Contribution (EFC).*

Payment and Disbursement Schedules See *Federal Pell Grant Payment and Disbursement Schedules.*

Payment Data (Federal Pell Grant) Formerly Payment Voucher. The Payment Data record is an electronic record that contains recipient identifiers, Expected Family Contribution, cost of attendance, enrollment status, and disbursement information for each Pell Grant recipient.

Payment Period The length of time for which all Title IV financial funds (except for Federal Work-Study) is paid to students. It is defined in 34 CFR, Section 668.4 of the Student Assistance General Provisions and depends on whether the school's academic program is (1) term-based, credit hour or (2) nonterm, credit/clock hour.

Payment Voucher (Federal Pell Grant) Δ Formerly Part 3 of the Student Aid Report (SAR); a machine-readable form, coded with an individual student's payment data at the institution before being submitted to ED. The Payment Voucher was replaced by the electronic payment data record in the 1996-97 award year. See also *Payment Data (Federal Pell Grant)* and *Processed Payment Data.*

Peer Evaluation An objective review of an institution's policies, procedures, and practices by a financial aid administrator from another school or by a consultant.

Pell Grant See *Federal Pell Grant Program.*

Period of Enrollment See *Enrollment Period.*

Perkins Loan See *Federal Perkins Loan Program.*

PLUS Loan See *Federal PLUS Loan* or *Federal Direct PLUS Loan.*

Policies and Procedures Manual A manual an institution develops that helps effectively and consistently manage financial aid using a compilation of written policies and procedures.

Postsecondary Institution An educational institution providing education beyond the high school level. The term is used to refer to trade and technical schools, as well as to two-year colleges, community colleges, and four-year colleges and universities.

Postsecondary Vocational Institution An educational institution that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public postsecondary vocational institution approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state; and

(f) has been giving instruction for at least two years.

See also *Institution of Higher Education* and *Proprietary Institution of Higher Education.*

Preaccredited Institution An interim status granted by a nationally recognized accrediting agency or association to an unaccredited public or private nonprofit institution that is expected to receive accreditation within a reasonable time period. See also *Accredited Institution, Accrediting Agency,* and *Nationally Recognized Accrediting Agency or Association.*

Primary and Secondary EFCs (Expected Family Contributions) See *Expected Family Contribution (EFC).*

Principal and Interest Principal is the loan amount borrowed. Interest is the amount the lender charges the borrower for using the money. Loan payments are applied to interest first and principal second.

Prior Year Recoveries Funds a school recovers in a given award year from financial aid money disbursed in prior award years. Institutions must adjust award expenditures and administrative cost allowances (ACAs) in award years in which recoveries are made. See also *Administrative Cost Allowance (ACA).*

Program Authorization See *Authorization (legislative)* and *Authorization (spending).*

Program Determination Letter (PDL) An official letter sent to a school by ED as a final result of an audit or program review. The letter outlines any specific steps the school must take to reimburse ED for improperly spent funds, adjust both institutional and ED records and reports, and assure compliance with federal student financial aid program regulations.

Program Participation Agreement (PPA) A written agreement that must be signed by both a top official at an institution and on behalf of the U.S. Secretary of Education that permits the institution to participate in one or more federal student financial aid programs (other than the State Student Incentive Grant [SSIG]). See also *Emergency Action; Limitation, Suspension, or Termination (LS&T);* and *Institutional Eligibility Notice.*

Program Review An assessment by ED of an institution's compliance with federal laws and regulations and its own school policies.

Program Review Exceptions Institutional policies, procedures, or actions related to federal student financial aid programs cited in a program review report as being contrary to federal laws or regulations that govern the programs. Also referred to as findings.

Promissory Note A legally binding contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan must be repaid.

Proprietary Institution of Higher Education An educational institution other than a public or private nonprofit institution located in a state that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program of training, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is accredited by a nationally recognized accrediting agency or association;

(e) has been giving postsecondary instruction (and has been legally authorized to give postsecondary instruction) for at least two years; and

(f) has at least 15 percent of its revenues derived from non-Title-IV funds.

See also *Institution of Higher Education* and *Postsecondary Vocational Institution.*

-Q-

Quality Assurance Program An ED quality-control program with an oversight strategy that focuses on results. Within established parameters, Quality Assurance Program (QAP) participants develop their own procedures for achieving award accuracy, measure the effectiveness of their systems, and design and target corrective actions through continuous improvement efforts.

Quarter A standard academic term, usually 10 to 15 weeks in length. At institutions using quarters to measure student progress, an academic year is defined as the time period in which a full-time student is expected to complete the equivalent of three quarters. (For fiscal reporting, quarters in the federal student financial aid award year are July-September, October-December, January-March, and April-June.) See *Academic Year (AY).*

-R-

Reauthorization The process of continuing and changing legislation because the existing law is expiring and needs to be reenacted. It is conducted every five to seven years in the case of the Higher Education Act (HEA).
(July 23, 1992 was the date the most recent HEA reauthorization was enacted. Another reauthorization is scehduled for the fall of 1998.) See also *Higher Education Act of 1965, as amended (HEA).*

Recipient Data Exchange (RDE) A computer-system procedure for transmitting Federal Pell Grant payment data between an institution and ED using machine-readable magnetic tape.

Recognized Occupation An occupation that is either listed in an "occupational division" in the latest edition of the *Dictionary of Occupational Titles* published by the U.S. Department of Labor or is recognized by the U.S. Secretary of Education in consultation with the U.S. Secretary of Labor.

Reconciliation of Cash A confirmation that the cash amount shown in a school's accounting records agrees with the cash amount reported in the school's bank statement.

Reconciliation of Federal Funds Balancing a school's records of federal funds received, expended, and returned against ED's records. A reconciliation should be performed monthly to ensure that reported expenditures, the trial balance, Federal Quarterly Cash Confirmation Statement, ED's Student Payment Summary, the school's FISAP (Fiscal Operations Report and Application to Participate), and any other allocation (other than Title IV student financial aid) are in agreement. A yearly reconciliation of the same items should be included in the school's most recent audit.

Refund This often refers to the portion of funds credited to a student's school account to cover institutional charges that a school returns to ED, a lender, or the student, if the student withdraws from, is expelled from, or drops out of school. If the student received any federal student financial aid (other than Federal Work-Study), by law, a part of the refund must go to those programs. "Refund" also can mean the return of interest or excess cash to ED from GAPS drawdowns or the return of audit and program review liabilities and fines. See also *Timely Processing of Refunds and Repayments*.

Refund Policy A "fair and equitable" policy that ensures a refund that is at least as much as the amount derived using:

(1) the requirements of applicable state law,

(2) the refund requirements established by the school's nationally recognized accrediting agency and approved by ED, *or*

(3) the statutory *pro rata* refund calculation defined by the Higher Education Amendments of 1992.

Regular Formula See *Full Data Element Formula*.

Regular Student A person enrolled or accepted for enrollment in an eligible program at an eligible postsecondary institution for the purpose of obtaining a degree or certificate offered by that institution.

Reimbursement Payment Method A method in which the institution makes payments to students in advance of receiving the funds from ED. See also *Automated Clearing House (ACH)*

Rejected (Pell Payment Data) A category of Federal Pell Grant processed payment data containing unacceptable or incomplete information that is rejected by the Central Processing System (CPS). An institution must correct the records and resubmit them to the CPS. See also *Processed Payment Data*.

Renewal FAFSA A pre-printed application form mailed to the student or his/her school by the CPS that must be updated for the student to be eligible for federal student financial aid. Also available on the web. See also *Free Application for Federal Student Aid (FAFSA)*.

Repayment Funds owed when the cash disbursement (excluding Federal Work-Study [FWS], Federal Direct Loans, and FFEL Program loans) to a student was greater than the amount of the student's living expenses before the student withdrew from school. See also *Distribution Formula, Overpayment*, and *Timely Processing of Refunds and Repayments*.

Repayment Allocation Policy A policy a school must develop that specifies the order in which federal student financial aid repayments will be returned to the federal financial aid programs from which they were received. Allocating repayments is statutorily prescribed by the Higher Education Act (HEA). While an institution may determine its own allocation priorities, under no circumstances may a repayment to a particular aid program exceed the amount the student received from that program. See also *Distribution Formula*, *Overpayment*, and *Repayment*.

Repayment Period The period during which a borrower (student or parent) is scheduled to repay a student loan.

Repayment Plan The *overall timetable* by which a borrower is to pay back a student loan, which may include a standard repayment plan, an extended repayment plan, a graduated repayment plan, or an income-contingent repayment plan. See also *Repayment Schedule*.

Repayment Schedule The *specific timetable*, using the borrower's repayment plan as its basis, that details the amount of loan principal and interest due in each repayment installment and the number of payments that will be required to pay off the loan in full. Additionally, a repayment schedule traditionally lists the loan's interest rate, the due date of the first loan payment, and the frequency of loan payments. See also *Repayment Plan*.

Resident Student A student who lives on campus or in housing owned and/or maintained by the institution.

Robert C. Byrd Honors Scholarship See *Robert C. Byrd Honors Scholarship* under "Byrd."

Room (as in "room and board") The cost of a student's on-campus housing or off-campus housing. See also *Board*.

-S-

SAR Information Acknowledgments See *Student Aid Report (SAR) Information Acknowledgment*.

Satisfactory Academic Progress (SAP) A measure of whether a student is progressing adequately toward completion of his or her course of study. It is determined in terms of grade point average and course completions.

Scheduled Award See *Scheduled Federal Pell Grant Award*.

Scheduled Cash Payment The total institutional cost for a student minus the total aid paid to institutional costs for the payment period.

Scheduled Federal Pell Grant Award (Scheduled Award) The Federal Pell Grant amount that would be paid to a full-time student for a full academic year.

Secondary EFC See *Expected Family Contribution (EFC)*.

Secondary Markets Purchasers of student loan notes, such as the Student Loan Marketing Association (Sallie Mae) or other institutions. In this process, loan (promissory) notes are purchased for the face value of a multi-loan portfolio or at a negotiated price. Once sold, the secondary-market purchaser becomes the holder of the loan notes and has total responsibility for future loan servicing and assuring that the loans are repaid. In addition to Sallie Mae, there are approximately 30 secondary markets operating at state or regional levels; a number of commercial lenders also purchase loans.

Self-Evaluation A school's regularly scheduled in-house evaluation of the way it administers its student financial aid program.

Self-Help Aid Student financial aid loan programs or employment-opportunity programs awarded to students. Compare *Gift Aid*.

Separation of Functions As part of administering federal student financial aid programs, a school is required to establish and maintain a check-and-balance internal-control system ensuring that no single school office can both authorize payments and disburse funds to students. Often this required separation is created by dividing the functions between the school's financial aid office and the school's business office.

Simplified Needs Test Formula A statutorily created simplified financial-need analysis formula. A part of the Federal Need Analysis Methodology, it uses a limited number of data elements to calculate a student's Expected Family Contribution (EFC). The calculation then is used in assessing a student's need for postsecondary education financial assistance.

For the 1998-99 award year, a dependent student qualifies for the simplified EFC formula if all of the following are true:

- the student's parents filed or are eligible to file a 1997 IRS Form 1040A or 1040EZ (meaning they are not required to file a 1997 IRS Form 1040) or the parents are not required to file any income tax return; and
- the student filed or is eligible to file a 1997 IRS Form 1040A or 1040EZ (meaning he or she is not required to file a 1996 IRS Form 1040) or he or she is not required to file any income tax return; and
- the 1997 income of the student's parents from one of the two sources below is $50,000 or less (excluding any income of the dependent student)—
  - ◊ the parents' adjusted gross income from the 1997 IRS Form 1040A or 1040EZ, or
  - ◊ for parents who are not tax filers, the income shown on the 1997 W-2 forms of both parents (plus any other earnings from work not included on the W-2s).

For the 1998-99 award year, an independent student qualifies for the simplified EFC formula if both of the following are true:

- the student filed or is eligible to file a 1997 IRS Form 1040A or 1040EZ (meaning he or she is not required to file a 1997 IRS Form 1040), income tax return; and
- the student's (and spouse's) 1997 income from one of the two sources below is $50,000 or less—
  - ◊ the student's (and spouse's) adjusted gross income from the 1997 IRS Form 1040A or 1040EZ, or
  - ◊ for non-tax filers, the income shown on the student's (and spouse's) 1997 W-2 forms (plus any other earnings from work not included on the W-2s).

See also *Federal Need Analysis Methodology*. Compare *Full Data Element Formula*.

Site Visit A visit to a school during which an independent auditor, nationally recognized accrediting agency, state agency, or ED seeks to understand the school's physical plant, enrollment, student financial aid application process, and methods of monitoring student attendance. See also *Independent Audit* and *Nationally Recognized Accrediting Agency or Association*.

Six-Month Program An instructional program consisting of at least 16 semester or trimester hours or 24 quarter hours at an institution that uses credit hours to measure progress; 600 clock hours of supervised training at an institution that uses clock hours to measure progress; 600 clock hours in a correspondence program; or a program that the U.S. Secretary of Education determines to be a six-month program on the basis of the Secretary's agreement plus certification by the institution's nationally recognized accrediting agency or association that the program is equivalent in course content and student workload to a comparable six-month credit-hour or clock-hour program.

Skip Tracing The process of searching for a borrower's address and telephone number for the purpose of collecting an outstanding student loan. Any information found in the borrower's school file may be used.

Source Document When estimating a student budget to use in determining cost of attendance (COA) at a school, this is the original supporting data for an item's cost or estimated cost and/or back-up material detailing why a certain expense decision was made or a specific dollar value was selected. See also *Cost of Attendance (COA)*.

Special Allowance A percentage of the average unpaid principal balance paid by ED to the lender of a FFEL Program loan. In effect, ED pays extra interest on the loan to the lender in addition to the basic interest charged on subsidized loans. This amount makes up the difference between the rates charged to FFEL Program borrowers and market interest rates. The amount of the special allowance is set by a statutory formula using 91-day Treasury bill rates.

SSIG See *State Student Incentive Grant (SSIG).*

Stafford Loan See *Federal Direct Stafford Loan, (subsidized), Federal Direct Unsubsidized Stafford Loan, Federal Stafford Loan,* and *Federal Stafford Unsubsidized Loan.*

Statement of Account (SOA) An official Federal Pell Grant statement from ED that sets a school's Pell authorization level for the upcoming award year and projects adjustments to the school's Pell funding needs. See also *Federal Pell Grant Program.*

Statement of Educational Purpose A statement on the FAFSA that the student must sign in which he/she agrees to use federal student financial aid solely for education expenses.

State Student Incentive Grant (SSIG) A need-based, gift-aid program jointly funded by the federal government and participating states.

Student Aid Master Record An institutional record containing information for an in-school student for each award year. The institution records all basic information relating to all student aid programs, including institutional and other aid programs, on the master record.

Student Aid Report (SAR) The report sent directly to a student from ED's Central Processing System (CPS) that summarizes the information submitted on a student's Free Application for Federal Student Aid (FAFSA) and provides financial-need calculations (including the student's Expected Family Contribution [EFC]) on the basis of these submitted figures.

The SAR includes:

- the Student Information Summary;
- the Information Review Form (IRVF) *or* the Information Request Form (IRQF); and
- financial aid history.

See also *Institutional Student Information Record (ISIR), Payment Data,* and *Student Aid Report (SAR) Information Acknowledgment.*

Student Aid Report (SAR) Information Acknowledgment A non-correctable Student Aid Report (SAR) sent to students who transmit the Free Application for Federal Student Aid (FAFSA) electronically through their school. See *EDExpress.*

Student Budget See *Cost of Attendance* and *Source Document.*

Student Confirmation Report See *Student Status Confirmation Report (SSCR).*

Student Contribution The dollar figure a student is expected to contribute toward postsecondary education costs from base-year income (taxed and untaxed) and assets. This amount is determined by analyzing the student's income and assets in tandem with provided allowances designed to ensure that the student actually can contribute the necessary expenses. See also *Assets, Base Year (for financial aid awards), Taxed Income,* and *Untaxed Income.*

Student Financial Aid Programs (SFA Programs) Another term for Title IV student financial aid programs.

Student Loan Reform Act of 1993 (SLRA) Federal legislation modifying the Higher Education Act (HEA); it was enacted on August 10, 1993. It created the Federal Direct Student Loan Program (since renamed the William D. Ford Federal Direct Loan Program) and eliminated the Federal Supplemental Loans for Students (SLS) Program. See also *Higher Education Act of 1965, as amended (HEA).*

Student Payment Summary (SPS) A listing retained in ED's records of a school's Federal Pell Grant recipients and their award information. The list is based on the payment data submitted by the school. It can be used to assist the school in reconciling Pell payment activity. The summary is sent to the institution at least three times during the award year, as well as at the end of the award year.

Student Status Confirmation Report (SSCR) A National Student Loan Data System (NSLDS) report that is sent electronically to educational institutions at least twice a year. It lists all the Direct Loan and FFEL Program Loan borrowers at the institution who:

(a) have loans guaranteed by a guaranty agency and

(b) were last reported as enrolled at the school.

The institution is required to provide guaranty agencies with certain enrollment information about each of their borrowers. Lenders use the SSCRs as a monitoring device to help determine when student borrowers are required to begin repaying their student loans.

Supplemental Allocation An additional allocation of available funds for one or more campus-based programs that may be given to a school on the basis of the school's need for additional funds. Supplemental allocations are made after some schools release unexpended campus-based funds at the end of an award year. See *also Allocation, Appropriation,* and *Deobligation.*

Supplemental Educational Opportunity Grant (SEOG) See *Federal Supplemental Opportunity Educational Grant (FSEOG).*

Supplemental Loans for Students (SLS) Δ See *Federal Supplemental Loans for Students (SLS).*

-T-

Taxed Income Personal income (earnings) subject to federal tax. Compare *Untaxed Income.*

Telecommunications Course A course offered principally by television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave or satellite, audio conferencing, computer conferencing, or videocassettes or videodiscs. The term does not include a course that is delivered by videocassettes or disc recordings unless that same course is delivered to students physically attending classes at the institution during the same award year. See also *Correspondence Course or Program.*

Term-Based Schools Institutions that measure academic progress in either standard terms—quarters, trimesters, or semesters—or nonstandard terms (any terms that are not one of the three listed above).

Third-Party Servicer An individual, a state, or a private profit or nonprofit organization that contracts with an eligible postsecondary educational institution to administer any aspect of the institution's participation in a federal student financial aid program. Not included in this definition: publishing ability-to-benefit (ATB) tests; performing FAFSA processing; performing a financial compliance audit; mailing documents prepared by the institution; and warehousing institution records.

Timely Processing of Refunds and Repayments Schools must notify students and loan lenders in writing when financial aid is refunded or repaid to federal student financial aid programs. Schools must return refund or repayment portions to the Federal Pell Grant Program, the Direct Loan Program, and the campus-based programs within 30 days of a student's withdrawal date and, under the FFEL Program, return proceeds to the lender within 60 days of a student's withdrawal date. If an audit or program review reveals that a school is not meeting the deadlines for returning refunds and repayments to federal student financial aid accounts, the school incurs a financial liability. See also *Refund* and *Repayment.*

Title IV Student Financial Aid Federal financial aid programs for students attending postsecondary educational institutions that are authorized to award federal aid under Title IV of the Higher Education Act of 1965, as amended. The programs are administered by the U.S. Department of Education. Title IV programs consist of: the campus-based programs, the FFEL Program, the William D. Ford Direct Loan Program, the Federal Pell Grant Program, SSIG, and the Robert C. Byrd Honors Scholarship.

Title IV Wide Area Network (TIV WAN) The system that connects a school's financial aid office with other ED Title IV systems. TIV WAN uses store-and-forward technology to allow schools to pass data to various ED contractors and allow contractors to pass data back to schools. Each school has a mailbox, or destination point, on the Title IV WAN. Schools use Title IV telecommunications software, or their own software, to dial up their mailbox and send or receive Title IV data.

Tolerance Levels (verification) A dollar-value level of errors in the income or asset information used to calculate the Expected Family Contribution. If the error level is at or below the maximum tolerance level for a given year, student applicant information does not need to be reprocessed. The *Verification Guide* provides important details on tolerance levels. See also *Verification.*

Transfer of Funds Moving a statutorily allowable percentage of financial aid allocations from Perkins Loan funds to Federal Work-Study (FWS) funds and from Perkins Loan funds and FWS funds to Federal Supplemental Educational Opportunity Grant (FSEOG) funds.

Two-Academic-Year Transfer Program A formal education program of two academic years that is acceptable for full credit toward a bachelor's degree.

-U-

Undergraduate A postsecondary-education student who does not have a first baccalaureate degree or a first professional degree.

Underutilization Disbursing a smaller amount of campus-based program financial aid funds to eligible students during an award year than the institution's allocated funding level allowed.

Unmet Need The remaining need from a student's cost of attendance (COA) at a specific school after subtracting the student's Expected Family Contribution (EFC) and Estimated Financial Assistance (EFA). (COA - EFC - EFA = student's unmet financial need.)

Untaxed Income Income (earnings) or resources that are not subject to federal tax and are not reported on a tax form. Examples of untaxed income are welfare benefits, child support, interest on tax-free bonds, some Social Security benefits, certain unemployment compensation, and military and other subsistence and quarters allowances. Compare *Taxed Income.*

Update Requirement Required notification to ED of a change in the information originally reported on a student's aid application. Updates are required for changes in household size, number of family members enrolled in postsecondary education, and dependency status. If the numbers in these items change, it might cause a significant change in the student's Expected Family Contribution (EFC).

U.S. Code (U.S.C.) The federal government's compilation of public laws.

-V-

Verification The technical and administrative procedures for detecting and resolving inaccuracies in the data a student (and family) supplied on the Free Application for Federal Student Aid (FAFSA). ED publishes a Verification Guide each year that details verification guidelines and procedures. See also *Conflicting Information, Edit Checks,* and *Tolerance Levels (verification).*

Verification Items Specific student (and family) applicant information that must be checked for accuracy during the federal student financial aid verification process. Verification may extend to other items on the Free Application for Federal Student Aid (FAFSA) at the discretion of the financial aid administrator. See also *Conflicting Information* and *Verification.*

Verification Worksheet The worksheet students and parents complete for the verification process.

-W-

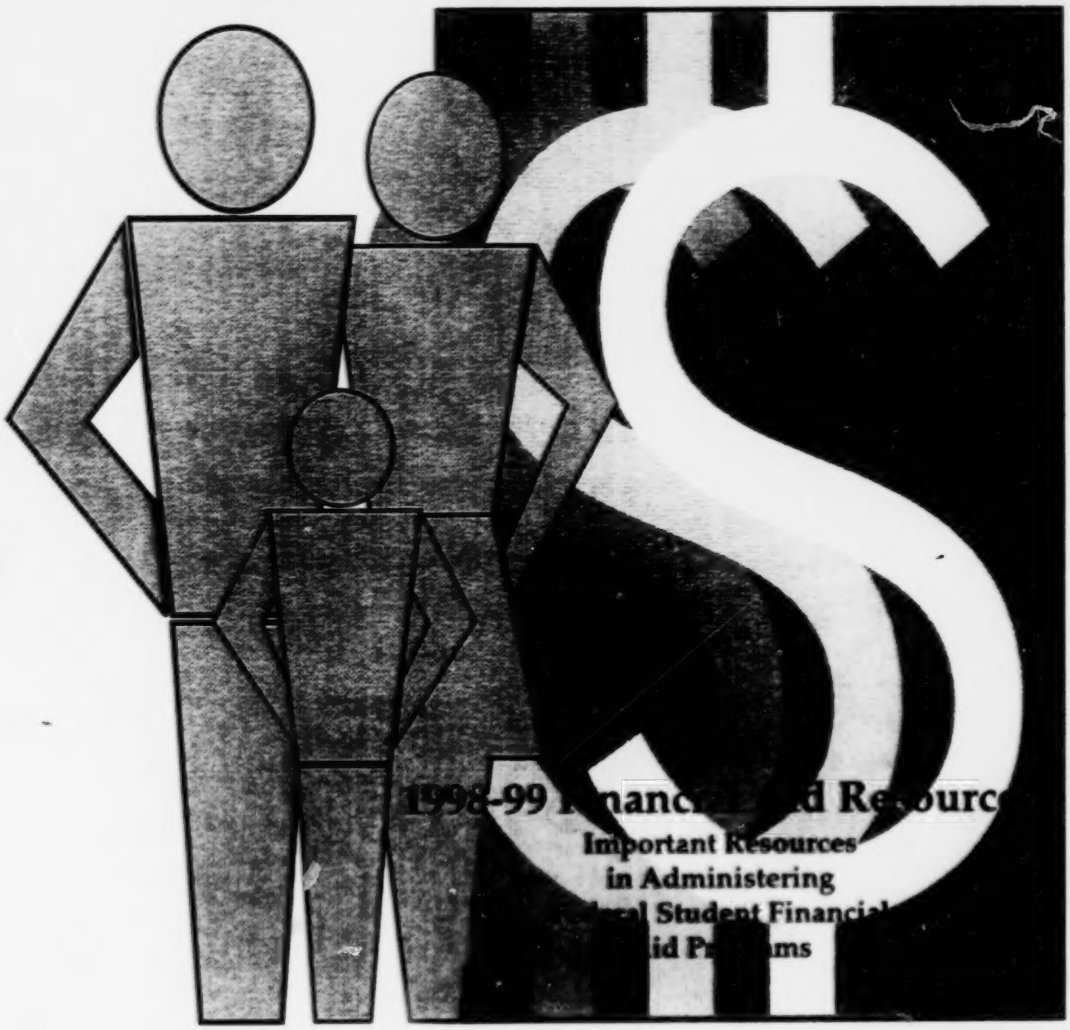
William D. Ford Federal Direct Loan Program See *Direct Loan Program.*

Withdrawal Date The latest of the date a student notifies a school of his/her withdrawal, or the date specified by a student, or the last date of a student's recorded attendance. If a student is enrolled in a correspondence program, the withdrawal date is the date of the last lesson submitted by the student if the student failed to submit the subsequent lesson according to the school's schedule. Compare *Drop-Out Date.*

-X, Y, Z-

No entries

Financial Aid Resources



Appendix C

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U. S. Department of Education

BEST COPY AVAILABLE

Resources - Appendix C

Introduction

Financial aid administrators must make sure that federal student aid programs are managed properly. This task can be made easier by:

- maintaining an up-to-date student aid reference library that includes the U.S. Department of Education's (ED's) major publications and useful non-ED publications;
- staying up to date on program information, policies, regulations, and the law, as well as being aware of changes and sharing information with all offices in the school that might be affected; and
- checking on any questionable or unclear information and asking questions before acting, which can save time and prevent liabilities.

ED Resource Materials

The following is a list of ED resource publications. They are available from the Federal Student Aid Information Center by calling **1-800-4-FED-AID (1-800-433-3243). (The TDD toll-free number is 1-800-730-8913.)**

- *The Student Guide.* A general guide to Title IV programs, written for students and parents.
- *Funding Your Education.* Generally for the high school student audience, this publication focuses on how Title IV programs can help pay for the cost of education and provides tips on how to apply for these aid programs.
- *What's New? Direct Loans!* A general guide to Direct Loans, written for students and parents.
- *The Federal Student Financial Aid Handbook.* A financial aid administrator's reference guide to managing Title IV programs.
- *The Counselor's Handbook for Postsecondary Schools.* A financial aid administrator's reference guide for advising students about financial aid for postsecondary education.
- *The EFC Formula Book.* A guide to assist in understanding how the formula is used to determine the Expected Family Contribution (EFC) for Title IV recipients.
- *Compilation of Student Aid Regulations.* A compilation of all the current regulations governing Title IV programs.
- *The Verification Guide.* A guide to verifying student aid application information, confirming correct data, and identifying incorrect or misreported data.
- *The Blue Book—Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs.* A guide to proper fiscal operations procedures related to administering Title IV programs. This publication is a "must have" for all fiscal officers, and it is exceedingly helpful for financial aid administrators.
- *The Audit Guide.* A guide to preparing for and completing required audits of federal student aid operations.

- *The Recipient's Guide to the Payment Management System.* A guide that prescribes procedures for expediting payments, completing the ED/PMS 272 Report, and managing and controlling federal cash.

  The Recipient's Guide (and only this publication) can be obtained from:

  U.S. Department of Education
  Office of Postsecondary Education
  Financial Services
  Washington, DC 20202-4331

ED also sends each participating Title IV school "Dear Colleague" letters and *Federal Register* reprints that pertain to Title IV aid. You should stay current in your reading of these documents and keep them as accessible references.

A good student-aid reference library includes all the ED publications described here. Many are published annually. ED sends these publications to each participating Title IV school each time the publications are updated.

Extra copies can be ordered from the Federal Student Aid Information Center (see telephone number on previous page) at no charge. The quantities that can be sent usually are limited, but a school can make photocopies if necessary.

Your student-aid reference library should be kept up to date with the latest editions of publications readily available for reference.

However, it is also important to maintain (or archive) older versions of the publications in case it is necessary to respond to an audit finding concerning an issue or law that might have changed.

Electronic Services

Each part of the student aid delivery process can be done electronically, from filing a financial aid application to reporting a Federal Pell Grant payment.

- The electronic FISAP (Fiscal Operations Report and Application to Participate) is used to request and report expenditures in campus-based programs. It increases productivity and efficiency for financial aid administrators and ED by providing automatic calculation and edit features for users.

- The Recipient Data Exchange (RDE) allows schools to report large volumes of Pell recipient data using magnetic tapes or cartridges. The Floppy Disk Data Exchange allows schools with minimal automated data processing resources to report Pell disbursement data to ED.

- The services offered by ED through its Electronic Data Exchange (EDE) can significantly speed up the application, corrections, and reporting processes. EDE services are provided as a part of the Title IV Wide Area Network (TIV WAN). EDE is the service that allows schools to electronically process Title IV financial aid data. EDExpress is a fully integrated software package developed and distributed by ED for managing those processes. There are currently four EDExpress modules: application processing, packaging, Direct Loans, and Pell payment. The EDExpress software is provided without charge to schools.

- ED's Default Reduction Assistance Program (DRAP) provides supplemental debt collection assistance to institutions participating in the Federal Perkins Loan program that are experiencing difficulty in collecting delinquent loans.

NOTE: Institutions that have a default rate greater than 7 percent are encouraged to enroll for the free DRAP service described above.

- The student financial assistance Bulletin

Board System (SFA BBS) is a free, interactive, online service the ED operates to assist the student financial aid community in accessing important SFA information. Included on the BBS are SFA announcements, *Federal Register* notices, the *Compilation of Federal Student Aid Regulations*, "Dear Colleague" letters, the *Federal Student Financial Aid Handbook*, and other important resources. BBS software is available by calling the Customer Support Branch at 1-800-433-7327.

- SFAP information on the Office of Postsecondary Education (OPE) Home Page can also be accessed at the following Internet address:

  www.ed.gov/offices/OPE

- The Information for Financial Aid Professionals (IFAP) web site contains financial aid resources normally published in paper format and distributed to schools. This site will replace the SFA BBS in the summer of 1998. The address is: ifap.ed.gov
- The Grant Administration and Payment System (GAPS) is now used to request funds from ED. Schools must have a DUNS number, a password, and a user ID, to access GAPS over the World Wide Web.

U.S. DEPARTMENT OF EDUCATION
PELL GRANT BRANCH

RECIPIENT DATA EXCHANGE (RDE)

FEATURES:

- Allows institutions to submit Payment Data and receive Processed Payment Data using magnetic tapes/cartridges
- Provides an efficient method for exchanging high volume, institutional mainframe data with ED
- Reduces paper storage and handling
- Increases accuracy of Payment Data (fewer keying errors)
- Provides the option to receive Student Payment Summary data on magnetic tape/cartridge

Whom to contact for more information:

Pell Grant User Support Hotline: 202-708-9141

U.S. DEPARTMENT OF EDUCATION
PELL GRANT BRANCH
FACT SHEET

FLOPPY DISKETTE DATA EXCHANGE PROGRAM

BENEFITS:

- Is inexpensive
- Reduces repetitive entry of duplicative data by using default values
- Reduces processing errors
- Automatically tracks 30-day reporting requirement on each recipient
- Facilitates use of external databases
- Has good Pell Grant processing turn-around time
- Increases office productivity
- Increases control over Payment Data via reports and queries

SOFTWARE FEATURES:

- Menu driven—easy to use and easy to learn
- Online context-sensitive help—including tutorial and glossary
- Quick and simple data entry screen
- Gateway to existing external data—massload function
- Sophisticated queries, detail, exception, and summary reports
- Data backup, archive, and restore functions
- Multi-level security access capabilities

EQUIPMENT REQUIREMENTS:

- IBM PC or compatible microcomputer
- 5.25-inch or 3.5-inch disk drive
- Hard disk with at least 3.0 megabytes of available disk space
- 640K RAM (random access memory)
- PC/MS DOS version 3.1 or higher
- Printer

Whom to contact for more information:

Pell Grant User Support Hotline: 202-708-9141

Customer Service

- **Customer Support Branch**: Answers policy and operational questions from *financial aid administrators*. Customer Support also maintains the SFA Bulletin Board System. Customer Support staff can be reached Monday through Friday between 8 a.m. and 5 p.m. (Eastern time) at 1-800-433-7327 (toll free), or by fax at 1-202-260-4199, or at the following email address:
  csb@ed.gov
- **Federal Student Information Center**: student inquiries, requests for financial aid materials and student or financial aid administrator questions about aid application or processing, corrections to FAFSA processor errors that appear on the SAR. Call toll free at 1-800-4-FEDAID (1-800-433-3243), Monday through Friday between 9 a.m. and 8 p.m. (Eastern time). TDD 1-800-730-8913.
- **Application Ordering System (AOS)**: To order copies of the FAFSA and *Student Guide* in bulk, call 1-800-284-2788. Please have your Title IV school code number ready.
- Customer support "hot lines" are available for various ED systems and operations. Toll-free numbers and addresses follow, beginning below.

Customer Service: Numbers

Central Processing System/Direct Loan (CPS/DL) Customer Service:

1-800-330-5947

Email address: CPS@NCS.COM

Provides support for:

- EDExpress software—apps/DL/packaging/SSCR
- Pell Payment for Windows software
- EDE technical reference
- Data submitted to CPS
- Institution/agency applicant tapes
- RAD/YTD requests

Free Application for Federal Student Aid (FAFSA) Express Customer Support

1-800-801-0576

Email address: CPS@NCS.COM

Provides support for:

- FAFSA Express diskette version
- FAFSA Express Web version:
  http://www.ed.gov/offices/OPE/express.html
  http://www.ed.gov/money.html

Direct Loan (DL) Custom/Combination School Technical Support:

1-800-756-4220

Email address: DLTS@NCS.COM

Provides support for:

- Interpreting the Direct Loan Technical Reference
- Dealing with errors received while interfacing external system with EDExpress
- Developing import from external add/change files

- Providing on-site support to Direct Loan schools with custom/combo systems

Direct Loan Servicing Center:

Borrower Services: 1-800-848-0979

Provides support for:

- School relations
- Borrower services
- Payment center
- Collections

Loan Origination Center
1-800-557-7394

Title IV Wide Area Network (TIV WAN) Customer Service:

1-800-615-1189

Email address: T4WAN@NCS.COM

Provides support for:

- EDconnect, NET*CONNECT, and OPEnet software (both DOS and Windows)
- Transmission errors
- Network password changes and resets
- Enrollment and participation
- Billing and invoices
- Software and user manual distribution

National Student Loan Data Service (NSLDS) Customer Service:

1-800-999-8219

Provides support for:

- Small school template
- DataPrep software
- CBT (computer-based training) tutorial
- Default rate calculations
- Student Status Confirmation Reports (SSCRs)
- Data providers' monthly submission
- NSLDS online functions

Pell Grant User Support Hotline:

1-202-708-9141

Provides support for:

- Pell payment software DOS version
- Floppy Disk Data Exchange enrollment
- Pell Payment data batch inquiries

Organization of the Office of the Deputy Assistant Secretary for Student Financial Assistance Programs (SFAP)

Within ED's Office of Postsecondary Education (OPE), the Deputy Assistant Secretary for Student Financial Assistance Programs (SFAP) is responsible for administering student financial aid (SFA) programs and developing policies and procedures to meet the objectives of those programs. Chapter 1 of *The Federal Student Financial Aid Handbook* contains detailed information on SFAP's organization, including offices and telephone numbers.

- The Policy Development Division (PDD) is responsible for developing and issuing program policies and regulations. The division's main telephone number is **202-708-8242.**

- The Program Systems Service (PSS) is responsible for delivering and controlling federal funds and services authorized for SFA programs. The division's main telephone number is **202-708-7701.**

- The Training and Program Information Division (TPID) is responsible for coordinating training activities for the financial aid community and disseminating information on SFA programs to schools, the general public, and other interested groups. The division's main telephone number is **202-708-8134.**

> NOTE: Free SFAP training is offered at various times throughout the year. Watch for special "Dear Colleague" letters (DCLs) identified as "Training Announcements."

- The Institutional Participation and Oversight Service (IPOS) is responsible for approving schools for initial participation in the Title IV programs, recertifying eligible schools for continued participation, and monitoring schools to ensure compliance with federal rules and regulations. IPOS conducts its oversight using a case management approach that provides a unified and consistent approach to monitoring. For information about initial participation, the telephone number is 202-260-3270. A listing of regional case management team telephone numbers is in Session 3.
- Incidents of Title IV fraud or suspected fraud should be reported to the Inspector General's hotline at **1-800-MIS-USED (1-800-647-8733)** or to local law enforcement officials.

> NOTE: You also may report suspected fraud by writing to:
>
> Office of Inspector General
> U. S. Department of Education
> 600 Independence Avenue, SW
> Washington, DC 20202-1510

- A list of ED/SFAP regional offices is on pages C-10 and C-11. The map on page C-12 shows the ten ED regions and locations of regional offices.

Professional Associations' Technical Assistance and Training

Technical financial aid assistance is usually available to members of financial-aid-related professional associations. Some associations might also research technical and historical questions, locate helpful materials, and refer problems/questions to experienced members.

Training is usually offered to both members and non-members, the latter paying a higher registration fee. Workshop topics are selected to meet current needs and address issues within the financial aid community.

Workshops are offered on four different levels: local, state, regional, and national. Many of the national workshops are listed in ED's Training Calendar, which is published three times a year—in May, September, and January—and mailed to schools participating in Title IV programs.

In addition to training, many associations hold annual or semi-annual conferences that provide valuable opportunities to exchange information, network, and express opinions on aid-related issues.

There are several association publications that might be useful financial aid resources. These publications are usually available, for a fee, from professional associations and national, state, and local agencies and associations. Membership in the association is sometimes required. The publications include:

- financial aid encyclopedias,
- job aids,
- self-evaluation guides, and
- newsletters or research journals.

Some major national associations related to student financial aid are listed below.

- Career College Association (CCA)
  750 First Street, NE, Suite 900
  Washington, DC 20002

202-336-6700

- The National Association of College and
  University Business Officers (NACUBO)
  1 Dupont Circle, NW, Suite 500
  Washington, DC 20036
  202-861-2500

- National Association of Student Financial
  Aid Administrators (NASFAA)
  1920 L Street, NW, Suite 200
  Washington, DC 20036
  202-785-0453

Networking

Networking is another important source of technical assistance and training. Through meeting and talking together, financial aid administrators can exchange:

- technical information,
- suggested management approaches,
- guidance for problem-solving, and
- assistance for new or inexperienced staff.

Networking opportunities are available through:

- association memberships,
- school partnerships, and
- personal and professional affiliations.

100

ED/SFAP Regional Offices

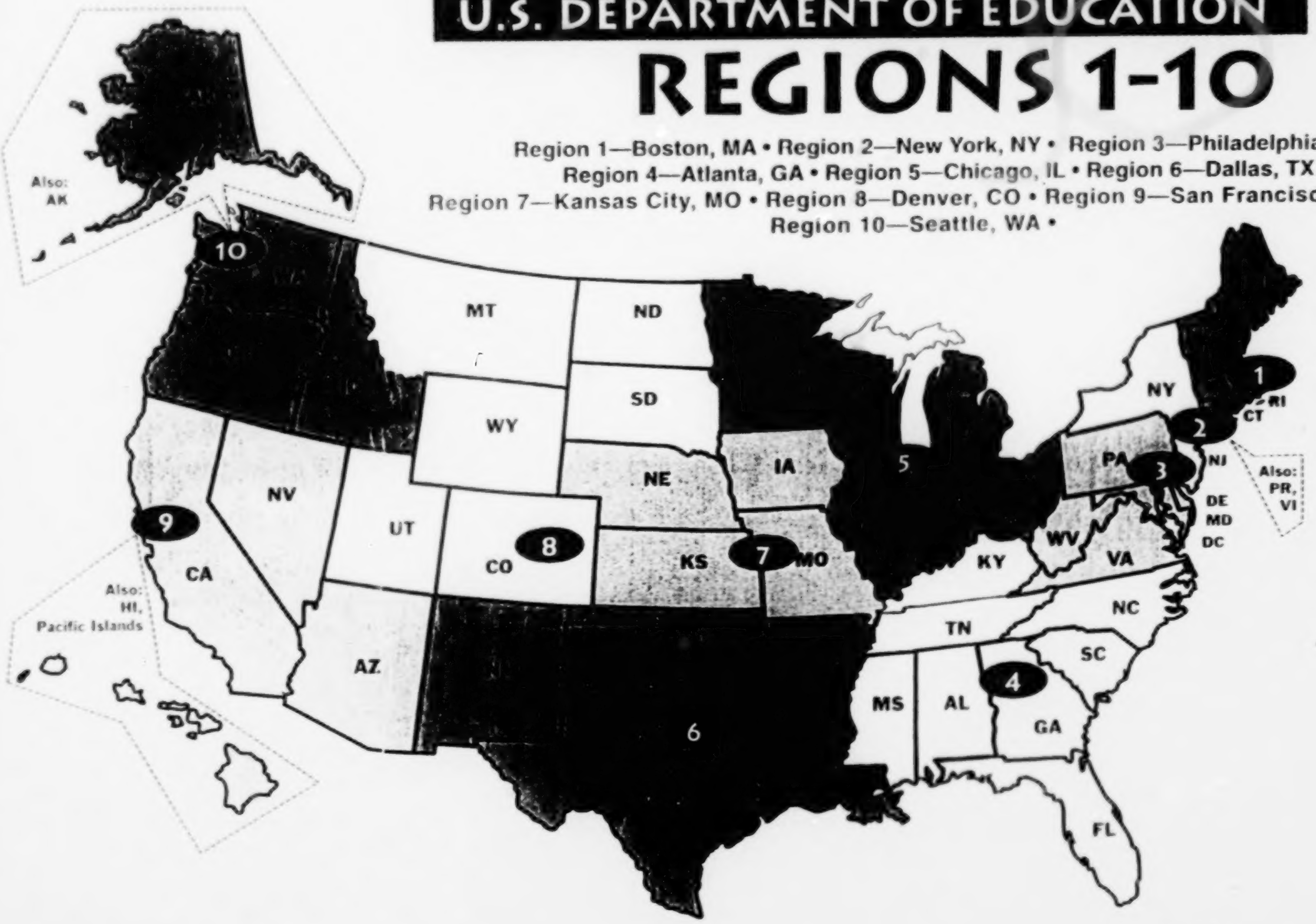
Region		States Served
I	U.S. Department of Education J.W. McCormack Post Office and Courthouse Bldg. Room 502, MS-01-0070 Boston, MA 02109 Telephone: 617-223-9328 FAX: 617-223-4305	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
II	U.S. Department of Education 75 Park Place, 12th Floor New York, NY 10007 Telephone: 212-264-4022 FAX: 212-264-5025	Canal Zone, New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands
III	U.S. Department of Education 100 Penn East Square, Suite 511 Philadelphia, PA 19104 Telephone: 215-656-6422 FAX: 215-656-6499	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
IV	U.S. Department of Education 61 Forsyth St., SW, Room 18T20 Atlanta, GA 30303-3104 Telephone: 404-562-6318 FAX: 404-562-6321	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
V	U.S. Department of Education 111 North Canal Street Chicago, IL 60606 Telephone: 312-886-8767 FAX: 312-353-2836	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
VI	U.S. Department of Education 1200 Main Tower, Room 2150, MS-06-5080 Dallas, TX 75202 Telephone: 214-767-3811 FAX: 214-767-0336	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
VII	U.S. Department of Education 7505 Tiffany Springs Parkway Kansas City, MO 64153 Telephone: 816-880-4053 FAX: 816-891-0983	Iowa, Kansas, Missouri, and Nebraska

VIII	U.S. Department of Education 1391 North Speer Blvd., Suite 800 Denver, CO 80204-2512 Telephone: 303-844-3677 FAX: 303-855-5756	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming
IX	U.S. Department of Education 50 United Nations Plaza, Room 268, MS–09–8080 San Francisco, CA 94102 Telephone: 415-437-8276 FAX: 415-437-8206	Arizona, California, Hawaii, Nevada, American Samoa, Guam, Federated States of Micronesia, the Marianas, Republic of Palau, and Republic of the Marshall Islands
X	U.S. Department of Education 1000 Second Avenue, Suite 1200 Seattle, WA 98104 Telephone: 206-287-9078 FAX: 206-553-0799	Alaska, Idaho, Oregon, and Washington

U.S. DEPARTMENT OF EDUCATION

REGIONS 1-10

Region 1—Boston, MA • Region 2—New York, NY • Region 3—Philadelphia, PA • Region 4—Atlanta, GA • Region 5—Chicago, IL • Region 6—Dallas, TX • Region 7—Kansas City, MO • Region 8—Denver, CO • Region 9—San Francisco, CA • Region 10—Seattle, WA •



404

403

IMPORTANT INTERNET ADDRESSES

Information for Financial Aid Professionals	http://ifap.ed.gov (after March 5, 1998)
Financial Aid for Students	http://www.ed.gov/offices/OPE/Students
ED Home Page	http://www.ed.gov
Office of Chief Financial Officer Home Page (EDCAPS/GAPS)	http://www.ed.gov/offices/OCFO/
GAPS	http://gapsweb.ed.gov
GAPS Training/ GAPS User's Guide (1-202-401-2102 to request paper copy)	http://gapsweb.ed.gov/training
Project EASI	http://www.easi.ed.gov or, http://easi.ed.gov
FAFSA on Web	http://www.fafsa.ed.gov
FAFSA Express	http://www.ed.gov/offices/OPE/express.html
OIG Home Page	http://home.gvi.net/~edoig
Downloading Acrobat Reader	http://www.adobe.com/
Department of Defense (listing of Hostile areas)	http://www.dtic.mil/comptroller/fmr
1997 Guide to ED Programs and Resources	http://intranet/test_bed/program2.nsf or http://www.ed.gov ("Programs and Services section", then select "Guide to Ed Programs")
American Council on Education	http://www.acenet.edu/hot.html
Advisory Committee on Student Financial Assistance	http://www.ed.gov/offices/AC/ACSFA
Government Printing Office--contains ED's portion of 34 CFR (regulations)	http://www.access.gpo.gov/nara/cfr/index.html
Federal Registers On-line	http://www.access.gpo.gov/su_docs/aces/aces140.html

House Debates on Student Loan Changes	http://allpolitics.com/1998/03/05/ap/loan
Hope Scholarship	http://www.ed.gov/inits/hope
Families Guide to 1997 Tax Cuts for Education	http://www.ed.gov/offices/OPE/Students/hopegd.html
Direct Loans	http://www.ed.gov/offices/OPE/DirectLoan/
SFA Publications/Letters	http://sfa.ed.gov/TM/T892
ED's Debt Collection Service for Defaulters	http://www.ed.gov/offices/OPE/DCS/
OPE Policy Initiatives and Program Data	http://www.ed.gov/offices/OPE/PPI
Accrediting Agency	http://www.ed.gov/offices/OPE/pubs/Accred
Student Guide	http://www.ed.gov/prog_info/SFA/StudentGuide/
Single ID# (correction)	http://sii.ed.gov
Application for Approval to Participate in Federal Student Aid Programs	http://eligcert.ed.gov
Title IV Institution Codes	http://www.finaid.org/finaid/tiv.html
Reauthorization Legislative Language	http://www.ed.gov/offices/OPE/PPI/Reauthor/
Year 2000 Compliant	http://www.ed.gov/y2k
ED's Financial Responsibilities Page	http://www.ed.gov/offices/OPE/PPI/finanrep.html
Office of Chief Information Officer	http://www.ed.gov/offices/OCIO